

# CHAPTER-ONE

## INTRODUCTION

### 1.1 Background of the Study

Marketing is the process of performing various forms of market research, selling products and services to customers and promoting them via advertising to further enhance sales. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.

Marketing is used to identify the customer, to satisfy the customer, and to keep the customer. With the customer as the focus of its activities, it can be concluded that marketing management is one of the major components of business management. Marketing evolved to meet the stasis in developing new markets caused by mature markets and overcapacities in the last 2-3 centuries. The adoption of marketing strategies requires businesses to shift their focus from production to the perceived needs and wants of their customers as the means of staying profitable.

Marketing can be defined in a simpler manner as the activities done by a company to deliver the product from the place of production to the place of consumption. So marketing is the sum total of activities that a company perform to sell their product and services or to transfer the ownership of the product or services in exchange of value of something.

Different authorities have defined the term marketing in different ways: Marketing is a societal process by which individual and group obtains what they need and want through creating offering and freely exchanging product and services of value with others. (Kotler, 2004, 9)

American marketing association defines marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, good and services to create exchange that satisfy individual and organizational objective. (AMA, 2010, 3)

W.J. Stanton defines marketing as the total system of business activities design to plan price promote and distribute want satisfying goods and services to present and potential consumers. (Stantion, 1991, 6)

Consumers are the core element of marketing process and in absence of them none of the marketing activity can be performed. In order to perform marketing activity smoothly it is necessary to know and understand consumers. To know and understand consumer means to observe how they make purchase decision in their purchase situation. That is how they become aware of the problem, search for information, evaluate the alternative available and purchase it.

Decision making is the process of selecting a specific or right course of action from the large number of alternative available. There are mainly five type of decision that the consumer made-1 what to buy? 2 How much to buy? 3 Where to buy? 4 When to buy? 5 And how to buy?

In general terms consumer decision making process is the selection of an option from the two or more alternative choices. In other words for a consumer to make a decision for a choice of alternative must be available. Not all consumer decision process requires a same amount of information search. (Schiffman and Lesile L, 2002, 7)

Consumers encounter several problems everyday of their lives. Consumers buy a product or services as a response of a problem. They buy a variety of product to solve the problem. In this process they face buying decision of different level of complexities. Some buying decision

is simpler than others. The complexity of buying level is affected by whether the product is high involvement or of low involvement.

In high-involvement purchase situation, the consumer is prepared to invest more time, money (resources) and efforts. In this situation consumer lacks the full information about the product, the amount of money involved is large, and the product has high social importance and expected to give the long run benefits. In this situation consumer needs to undergo considerable amount of information search and evaluation. The evaluation criteria also become very complex. Consumer face a situation of cognitive dissonance leading to a post purchase anxiety, where as in low involvement purchase, the consumer does not exert much time, resources and efforts. In this situation consumer is comfortable with the information that he or she has about the product, the amount of money involved is small, the product has low social importance and it gives the short term benefit.

Generally consumer decision making process consist of five stages namely problem recognition, search for information, evaluation of alternative, purchase and post-purchase evaluation. It is generally in the case of high involvement purchase situation. In case of low involvement purchase situation evaluation of alternatives and post purchase evaluation are lacking because in this situation product with low price and low social value and short term benefit are purchased which does not require information search and post-purchase evaluation.

Problem recognition is the first step of consumer buying process. Problem recognition occurs whenever a consumer finds a significant difference between his\her current state of affairs and some desired or ideal state. A problem can arise any one of the two ways-1 when the

actual state moves downward, 2 when the ideal state moves upward. (Loudon and Bitta, 2002, 487)

After becoming aware of need consumer require an adequate amount of information to solve the problem where he\she searches the information on brand, store, price, qualities and many other attributes and benefits of the product or brand alternative. Duration and intensity of search effort depends upon the buyers experience in purchasing and nature of the product to be purchased. In this stage of buying decision consumer made the evoked set. It is the set which consist of the different set of brands of the product which the consumer actually is ready to buy.

In the third stage of consumer decision process, consumers in the evoked set are evaluated by making a set of criteria. Here consumer uses some criteria to evaluate the product or brand options. Such criteria are based on some standard and specification that may be objective or subjective. Each individual have their own system of evaluation criteria so this is the least understood part of consumer buying decision process. If the evaluation yields one or more alternatives then consumer is ready to move in the next stage called the purchase stage. During purchase stage consumer not only select the product or brand but also select seller and store from where he will purchase the goods and services. The actual act of purchase occurs during this stage. In this stage consumer normally take two type of decision i.e. about brand and about the store. Sometime consumer also faces the problem of choosing among the non comparable alternatives. Choice of the brand differs according to the level of involvement i.e. whether it is high involvement or low involvement and for each consumer has their own decision rule. All decision does not lead to purchase; the individual may terminate the process before purchase. After purchase the next step is the post purchase evaluation. The outcome

of this stage is either satisfaction or dissatisfaction which acts as the feedback for the other stages of the decision process and influence the subsequent purchase.

Consumer decision making process although contains five stages all consumer decision process does not always goes through all these five stages. The individual may terminate the process at any stage. It depends upon the time resources and effort that the consumer want to invest and his\her experience involved in purchasing the product. So person in high involvement purchase situation employ all these five stages. Whatever be the method the basic objective of marketing is to persuade the consumer to buy the product that is available in the market. This objective of marketing can only be achieved by knowing the consumer decision making process. Because an effective marketing plan and strategy can only be made when there is proper knowledge about how consumers buy or decide to buy the product. In developed countries business organization realizes the fact and undertakes research in this area. But such practices of studying consumer buying process is lacking in Nepal.

In order to understand the consumer decision making process in case of high involvement goods several theoretical model will be studied such as- Nicosia model, Howard and sheath model, EKM model, Behavioral economic model, Sheth family decision making model, Bettman's information processing model and Sheth Newman gross model.

In Nepal, Marketing sector is increasing rapidly and its function is becoming wide in urban areas than in rural areas. People in urban areas are spending their money in the purchase of high involvement goods (T.V, V.C.R, Motorbike, Car, and House). People now days in urban areas are interested to purchase the high involvement product, if they can afford it. So a need to understand consumer decision process arouse here, which helps to make

effective marketing plan and strategy to sell the product to an ultimate consumer. Unlike in the past, consumer has some option to choose from resulting into competition among the retailers. As a result, the knowledge of marketing in general and consumer decision making process for high involvement goods in particular, is gradually become essential to meet the challenges of growing competition in the market.

In this study an attempt has been made to study the consumer decision making process in the case of high involvement purchase situation. Here motorbike is taken as an example because in high risk situation consumer are likely to be more careful in the purchase decision as they are to spend more time effort and resources.

## **1.2. Statement of Problem**

Each and every consumer differs by their nature. So all the consumer does not have the same decision process and it will become necessary to understand the decision process of consumer. In order to understand the decision process of consumer several theoretical model has been developed. But they are mostly built and applicable in the western countries. And applicability of such model in our context is the most important problem. Since Nepalese marketing environment is totally different from the western marketing environment, there are some restrictions in the applicability of such model in our country. It may be due to the short supply of goods and services in the market and uncertain market environment.

) In the area of consumer decision making process, although some of the research has been made by an organization or by individual, such data are not available to the public. And proper understanding of consumer decision making process helps the

marketer to make effective plan and strategy to market their product in accordance to the need of their ultimate consumer. In this study motorbike is taken as an example of high involvement goods. How the buyer of motorbike makes their decision while buying motorbike is studied here. The decision process of consumer in buying motorbike is the main problem of this study.

### **1.3. Objectives of the Study**

As the topics entitled consumer decision making process under high involvement purchase situation suggest that the study attempt to examine the consumer decision making process of high involvement goods (motorbike) in Khairahani VDC. So the main objective of the study is to examine the consumer decision making process in case of high involvement goods. The objective is specified as-

- ) To analyze the consumer need recognition.
- ) To examine the source of information and ascertaining the frequency of information used by the consumer in high involvement purchase situation.
- ) To analyze the factors used by the consumer in identification and evaluation of alternatives while buying the durable product.
- ) To analyze the consumer post purchase behavior.

### **1.4. Research Questions**

This study attempts to solve the following research questions:

- ) How consumers recognize the need?
- ) What are the number and types of sources of information used by consumer while purchasing motorbike?

- ) Which of the information sources use frequently?
- ) What amount of time does the consumer spend on pre-purchase information seeking?
- ) What factor that effect the consumer buying decision?
- ) What are the decisions making criteria and used by consumer in identification and evaluation of alternatives?
- ) What will consumer do their motorbike after used?

### **1.5. Research Hypothesis:-**

Based on the findings of the past study and characteristics of the Nepalese product market and consumers researcher hypothesize about some of the major characteristics of strategies consumer use. These are as follows:

- H<sub>1</sub>:** The given sources have equal influence on consumer regarding need recognition.
- H<sub>2</sub>:** The consumer gives equal emphasis on interpersonal sources as well as external sources of information while buying motorbike.
- H<sub>3</sub>:** The consumer equally uses the given type of purchase pal during the final purchase of the motorbike.
- H<sub>4</sub>:** The consumer use purchase pal for different reason while making their final choice.
- H<sub>5</sub>:** The consumer gives equal emphasis to the given factors while making their final purchase decision.

### **1.6. Significance of the Study**

Nepalese market is small but it is increasing. Most of the people from hilly area come and reside in urban areas. So urban area is increasing gradually as result Nepalese markets are turning into a competitive market. Large numbers of product with different brand are available in the market. Nepal has become the member of WTO and SAFTA. This



also leads more competition in the Nepalese market. In this context this study is likely to be useful to the several group of people who are directly or indirectly concerned with the diffusion of knowledge about product markets. Specifically this study will be useful to the following group of people-

To the marketer- marketer are concerned with the development of effective plan and strategy. And for this purpose they have to understand the buying behavior of consumer. So for the marketer, to persuade buyer to choose the particular product or brand, this kind of study is very much helpful.

- I. To the public policy maker-Public policy maker are concerned with the protection of consumer interest in the market place. In Nepal where there is few rules and regulations for the protection of consumer interest. This objective more important to Nepal than in other country. Understanding of consumer decision making process helps the public policy makers to make the rules and regulations that help in the protection of consumer interest.
- II. To an individual-a large part of individual time is spent on thinking about product and services, talking about them to friends, paying attention to an advertisement and purchasing them. Knowledge of consumer decision making process enhances individual understanding of the forces that influences the purchase and consumption of product and services. To some extent it helps an individual to know about the decision process which helps to save their time.
- III. To Academician and Researcher-Academician and Researcher are mainly concerned with understanding how consumer makes buying decision. This kind of study in Nepal is likely to prove the

foundation of basic research on consumer buying behavior for high involvement goods in Nepal.

In this field probably no other study has been conducted, so this May provide adequate information to the concerned people.

### **1.7. Limitation of the Study**

None of the research works is complete in them. They may contain some limitation due to the various factors that is unavailable during the research process. This study may also have some limitation. Some of them are listed below:

- I. The study is only confined to the Khairahani VDC area. Since all the respondents of this study are of Khairahani VDC area, the result that is obtained from this study cannot be generalized.
- II. The sample size selected for this study is very small in comparison to the population.
- III. This study is focused on high involvement product particularly motorbike and therefore the findings may not be applicable for other products.
- IV. The variables that are likely to affect the search and choice process of consumer are ascertained on the basis of review of literature and own judgment of the researcher.
- V. Respondent hesitation toward giving the answer of questionnaire and lack of time of the respondent is also the limitation of the study.
- VI. Only primary data collected through questionnaire are used for this study purpose.

## **1.8. Organization of the Study**

This study was organized into five chapters namely Introduction, Research Methodology, and Review of literature, Data Presentation and analysis and Summary Conclusion and Recommendation.

**The first chapter** focused on explanation of consumer decision making process regarding the high involvement goods. It introduces the research problem and objectives as well as points of significance of the study.

**The second chapter** includes the study of relevant literature to this study and the review of previous studies.

**The third chapter** of this study is research methodology, include research design, population and sample, data collection method, data analysis method to be used in this study are described.

**The fourth chapter** is data presentation and analysis. This section will contain the representation of raw data into tabular and systematic form and analyzing these data by using different types of statistical toll and techniques.

**Finally the fifth chapter** summarizes the whole study, derives conclusion, there from and provides recommendation and further research direction.

An extensive bibliography of and an appendix will also be included at the ends.

## **CHAPTER-TWO**

### **REVIEW OF LITERATURE**

In the previous chapter, background of the study is sketched, Problem and objectives were defined and hypotheses were formulated. While in this chapter essential review of literature is done which is helpful to the researcher for the entire study and that helps to conduct the effective research to the researcher.

Review of literature is an essential part of all studies. It is a way to discover what other research in the area of our problem has uncovered. It is also a way to avoid investigating problems that have already been definitely answered. (Wollf and Panta, 2003, 3). Review of literature helps in establishing a point of departure in future research, avoids needless duplication of costly research efforts and reveals areas of needed research. Review of literature is basically a “stock taking” of available literature in one fields of research. It provides the researcher wit the knowledge of status of their field of research. The purpose of literature review is to build up a sound footing of a research for the area of selected (Paudel, 2004, 42).

The purpose of literature review is to find out what research studies have been conducted in ones chosen field of study and what remains to be done. It provides the foundation for developing a comprehensive theoretical framework from which hypothesis and sound methodology for collection of information can be developed.

Consumer research has remained an important area of theoretical and empirical research for a long. The research in the area of consumer behavior receives an added significance in a product-market environment

like that of Nepal that was characterized by low level of education, lack of buying alternatives and unbiased sources of information. Present study is an attempt in this direction aimed at examining the decision process of high involvement goods buyers of the Khairahani VDC area. In order to provide the framework for this study, available literature in the different component of the decision process has been reviewed and presented in the subsequent headings in this chapter. This chapter is mainly divided into two sections, first is Conceptual\Theoretical framework and the second is Review of related studies.

## **2.1. Conceptual Review:**

Under this heading different theories and models related to consumer decision process are described and explained. Consumer decision making process is very complex and difficult process mainly because numerous variables are involved in the purchase and consumption decision process of consumer. The numerous variables interact with each other that help consumer to make decision. This section can partly be divided into two section models of consumer behavior and component of consumer decision process.

### **2.1.1. Model of Consumer Behavior:**

Various models have been developed to explain the consumer decision process. They are namely, Behavioral economic model, Nicosia model, Howard and Sheth model, E.K. M. model, Sheth family decision making model, Bettman's information processing model and Sheth-Grossman model. These models of consumer decision making postulates that for high involvement goods, consumer in general likely to engage in extensive pre-purchase information seeking, developing choice set out of available alternative in the market and evaluate alternative in the choice set by using rational decision criteria and rules. These models are built

based on the assumption that consumer possess some prior knowledge about the product market as a result of ongoing search.

**These models are described here:**

**A) Behavioral Economic Model:**

The microeconomic and macroeconomic model was mainly focused on the economic phenomena such as price, demand, supply, income, savings and consumption rather than on the actual behavior of the consumers. Behavior influence of consumer on the various economic phenomena was brought into the picture by behavioral economists, particularly George Katona in 1950's.

Katona proposed that inclusion of psychological variables where and processes in the economic model can better explain the behavior of economic factors. Katona's work was found to use in the discretionary income of the consumer that could be channeled for the consumption of durable goods. Since the durable goods such as T.V, C.D players, Motorbike or Car are generally high priced. Consumer purchase these product when they find both general economic condition and their personal income situation are favorable. The model describes the consumer decision process in following four components:-

- a. Actual Economic Condition
- b. Psychological process
- c. Consumer sentiments
- d. Economic behavior

**B) Nicosia Model:**

Francesco Nicosia developed a comprehensive model of consumer behavior in 1966. The Nicosia model focuses on the relationship between the firm and its potential consumers. The model highlights in the firm

communication to consumer through marketing messages (advertising) and consumer communication with the firm through the purchase responses. It is an interactive model in the sense that the firm tries to influence the consumer through marketing communication and the consumer try to influence the firm through purchase action. Nicosia was one of the model builder who shift the focus from the act of purchase itself to the more complex decision process that the consumer engage in about product and services. Nicosia model is divided into four major fields. They are:

- a. The firm attributes and outputs or communications and the consumers psychological attributes.
- b. The consumer search for and evaluation of the firms output and other available alternative.
- c. The consumer motivated act of purchases.
- d. The consumer storage or use of product.

**The model developed by Nicosia was based on the following assumption:**

- Variables interact either dependently or independently but one variable provide input to the next.
- Consumers seek to fulfill specific goals but initially there is no history between the company and the consumer.
- There is no positive or negative predisposition toward the firm in the mind of the consumer.

**This model is useful in the sense that it shows:**

- a. How consumer move from general product knowledge to toward specific brand knowledge.

- b. How consumer move form a passive position (information) to an active state (purchase action)

### **C) Howard-Sheth Model:**

This model was jointly developed by John howard and Jagdish sheth. This model provides an integrative framework for a comprehensive theory of consumer behavior. The model uses the term buyer instead of consumer to indicate that the model was also useful to explain the institutional buyer.

This model attempts to depict the rational brand choice behavior under conditions of incomplete information and limited abilities. It also distinguishes between the three levels of buyer decision making. They are:-

- a. Extensive Problem Solving (EPS):- In this stage buyers lack the information on product category and brands. In this stage, the buyer is undecided about what product to choose or what brand to purchase. In order to clarify the preferences, the buyer engages in extensive information search activity.
- b. Limited Problem Solving (LPS):- In this stage buyer has information about the product category but lacks information about the brands. In this stage, the buyer still faces some uncertainty about the brand choice for which he\she has to search for information about brands.
- c. Reutilized Response Behavior (RRB):- In this stage, the buyer has the full information about the product category and brands. In this stage, the brand has well defined choice criteria and also predisposition toward one brand. Here the buyer has no confusion and ready to purchase.



This model is based on the learning theory. As buyers learn through past experience their choice behavior also moves from EPS through LPS to RRB.

**This model consists of four major variables. They are:**

- I. Input variables
  - a. Significant stimuli (Quality, Price, Service)
  - b. Symbolic stimuli (Verbal and Visual product characteristics)
  - c. Social stimuli(Family, Reference group, Social class)
- II. Perceptual construct where consumer develops belief toward brand and go for the search for information.
- III. Learning construct where consumer develop his knowledge toward the brand.
- IV. Outputs either may be purchase behavior or anything like attention, intention, attitude or brand comprehension.
- V. Exogenous variable such as importance of purchase, consumer personality, traits, time pressure and financial status.

**The model suggests that the buyer go through the following process:-**

- a. Information processing and receiving.
- b. Developing predisposition.
- c. Developing purchase intention.
- d. Evaluation of the purchase.
- e. Need for information in future purchase.

**D) Engell, Kollat and Miniard Model (EKM):**

The Engell, Kollat and Miniard model was originally developed by Engell, Kollat and Blackwell in 1968. The EKB model was later on modified by Miniard in 1990 and currently known as EKM model. This model was known as the most recent and most comprehensive model of consumer behavior. This model was originally designed to serve as a

framework for organizing the fast growing body of knowledge concerning consumer behavior.

**This model consists of following four sections:-**

- a. Information input where consumer receives information about product or brand from marketing and non marketing sources.
- b. Information processing, where consumer are exposed to information, give attention, perceive, accept, and retain the information into the long term memory, if they are relevant.
- c. Consumer decision process which includes Need recognition and motivation, Search for information, Evaluation of alternative, Purchase and post-purchase outcomes.
- d. Variable influencing the decision process that is individual and environmental variables.

As in Howard and Sheth model, this model also describes the consumer decision making process in the different stages:-

- a. Information receiving and processing.
- b. Information search.
- c. Evaluation of alternatives.
- d. Purchase and post purchase outcomes.
- e. Modifying variables.

**E) Sheth Family Decision Model:**

According to this model family is the appropriate decision making unit and it suggest that joint decision making tends to prevail in families that are middle class newly married and close-knit with few prescribed family roles. In terms of product specific factors, it suggest that decision making is more prevalent in the situation of high perceived risk of uncertainty,

when the purchase decision is considered to be important and when there is ample time to make decisions.

#### **F) Bettman's Information Processing Model:-**

Bettman's model of consumer behavior describes the consumer as possessing the limited ability for processing information.

According to this model, the consumer rarely undertakes very complex analysis of available alternatives and employs simple decision strategies when faced with choice.

#### **This model consists of the following seven stages:-**

- a. Processing capacity.
- b. Motivation
- c. Attention and perceptual encoding.
- d. Information acquisition and evaluation.
- e. Memory.
- f. Decision process.

#### **G) Sheth-Newman-Gross Model:-**

This model of consumer behavior of consumption values recently developed to explain why consumer makes the choice they do. This model concentrates on accessing consumption relevant values that explain why consumer chooses one product type over another and to consumer choices involving a full range of product types. (Consumer non durable goods, durable goods and services) The Sheth-Newman-Gross model is rooted in three central predispositions.

#### **They are:-**

- a. Consumer choice is a function of a small number of a consumption values.

- b. Specific consumption values make differential contribution in any given choice situation.
- c. Different consumption values are independent.

**This model of consumer choice behavior identifies the five consumer value namely:-**

- a. Functional value
- b. Social value
- c. Emotional value
- d. Epistemic value
- e. Conditional value

The first model of consumer behavior described above that is behavioral economic model focuses on the use of discretionary income of consumer that can be channeled for the purchase of high priced item. The second third and fourth model (Nicosia model, Howard sheth model, EKM model) describes on consumer decision making, on how individual consumer arrive at the brand choice decision. The fifth model (sheth amily decision model) focuses on the importance of the involvement of the family member in the purchase of risky product. The sixth model that is Bettman's information processing model focus on how consumer employ various types of information to come up to make a final; decision to make the purchase f the product. The seventh model that is Sheth-Newman-Gross model focus on the consumption value that is why consumer buy or do not buy the specific brand or product.

### **2.1.2. Components of Consumer Decision Process:**

Decision process of consumer is not a single process. The decision process of consumer consists of many components. And the description

of different components of consumer decision process might be able to understand the entire consumer decision making process. Marketing scholars have developed the five stage model of consumer decision process. The process starts from problem recognition and passes through information search evaluation of alternatives, purchase decision and ends at post purchase outcome.

### **I: Problem Recognition:**

Problem recognition is the first step of consumer buying decision process. The problem guided by the series of activities end up with a choice made by the buyers need for a product. The need for product class in the consumer may arouse due to the internal stimuli from consumer interaction to the external environment. For example hunger may cause the need for food.

Among consumers, there seem to be two different need or problem recognition styles. Some consumers are actual state types, who perceive that they have problem when a product fails to perform satisfactorily. In contrast, other consumers are desired state types, for whom the desire for something new may triggers the decision process.

Problem recognition results when the consumer recognizes a difference of sufficient magnitude between what is perceived as the desired state of affairs and what is the actual state of affairs, enough to arouse and activate the decision process. The actual state refers to the way in which need is already being met and the desired state is the way a person would like for the need to be satisfied. Problem recognition means that the consumer becomes aroused and activated to engage in some purposeful purchase decision activity. The motivation to resolve a particular problem, however, depends on two factors: the magnitude of discrepancy between the desired and actual states and the importance of the problem.

For instance, a consumer may desire to own a new front-wheel-drive automobile of the same model. A discrepancy may exist between the consumers actual and the desired state, but it is not likely to be large enough to motivate him to proceed further in the decision process. In addition, the importance of problem may be such that the consumer may not be motivated toward further decision process behavior. Problem recognition must also result in the problem being sufficiently defined if the consumer is to engage in meaningful behavior aimed at solving it. Sufficient problem difference occurs for the consumer to be able to act on it in many problem recognition situations. Other situation exists, however in which consumer may not have the clear definition of the problem, even though the problem recognition has occurred. For example, the matter of self image may lead to such an occurrence, such as when the consumer feels that her expression of a desired image is not quite right and yet she is unable to define exactly what is wrong. In such cases, information search may be engaged into more clearly identify the problem. These cases of problem recognition and definition may often be complex. (Loudon and Bitta, 2002, 490)

Another research direction has been taken to view the problem recognition longitudinally. Instead of focusing on one instance of problem recognition, the effect of repeat occurrence of similar problems is considered. For example Consumer may have problem recognition triggered in three ways: by the actual state changing, by the consumer experiences problem several more times, a style of recognizing the need begins to develop. Thus for some consumers, problem recognition is triggered mainly by the change in the desired state. For others problem would rarely be recognized unless their actual state changes. These two types of problem recognition styles operate among consumer of

numerous product such as clothing, home decorations, home appliances and automobile.

### **Types of problem recognition:-**

Rather than viewing problem recognition as occurring in only one way, it is useful to understand that there may be various types of problem recognition process. One approach has been to develop a classification system of situations based on the factors of immediacy of required solution and whether the problem was expected to occur or not. (Loudon, & Bitta, J., 2002, 490-491).

### **There are four different type of problem.**

They are:-

- a. Routine Problems: Routine problems are those in which the difference between actual and desired state is expected to occur and an immediate solution is required. Typically convenience goods are associated with this type of problem recognition, such as most of the grocery purchases made by the consumer. In these cases items are ordinarily used up and must soon be replaced. So in case of routine problem there is a minimum time lag between purchase and actual consumption.
- b. Emergency Problem: - Emergency problems are those that are unexpected in which solutions are necessary. For instance a consumer who is involved in an automobile and 'totals' his car may need a quick solution to his transportation problem. Consequently, the individual may have little time to engage in shopping for the perfect replacement vehicle, but instead may purchase something that is reasonably satisfactory and available for immediate delivery.
- c. Planning Problem: - Planning problems occur when problem occurrence is expected but an immediate solution is not required. For

instance, a consumer who expects that his car will only last one additional year may begin to engage in window shopping for autos, have discussions with friends about various brands and pay closer attention to the automotive ads. Planning problems are the type that can lead to the purchase of “pre-need” goods and services, which are bought in anticipation of being, used in the future, generally after a significant time lag. Sometimes the ability to put off a purchase may lead to purchase at all. For example, life insurance cannot be bought by someone diagnosed with terminal cancer.

d. Evolving Problems: Evolving situation occurs when the problem is unexpected and no immediate solution is required. The fashion adopting process illustrates this case. Fashion adoption ordinarily occurs over a lengthy period of time for many consumers. Although one may be aware of new fashion items experience, there may be no initial desire to own that item. Over time, as the innovation spreads and more buy the item, a discrepancy between the consumer desired and actual state may develop and increases. Thus, the diffusion of an innovation often involves the situation of evolving problems.

**The different type of problem in consumer may arouse due to different reason such as** (Loudon, and Bitta, 2002, 491-492)

- a. Depleted or inadequate stock of goods.
- b. Discontentment with the stock of goods
- c. Changing environmental circumstances
- d. Changing financial circumstances
- e. Marketing activities that result into the problem recognition.



## **II: Information Search:**

Once the consumer has recognized the existence of the problem, and assuming there are no constraints preventing further behavior, they move to the next step of the decision making process. Unless it is known what information they want or need in their decision making that which is provided may be inappropriate and ineffective.

The term “search” refers to the mental as well as physical information seeking and processing which one engages in to facilitate decision making regarding some goal-object in the market place. (Kelly, 1968, p.273) Consequently search may be undertaken in order to find out about the products, prices, stores and so on related to the product.

### **Types of consumer search activities:-**

Search may be categorized as pre-purchase or ongoing search (based on the purpose of search) and external or internal search (based on its sources). (Loudon, and Bitta, 2002, p.504-505)

- a. Pre-purchase:- This is the typical form of search we associated within the purchasing context. If the consumer has recognized the problem then pre-purchase search is engaged in.
- b. Ongoing search:- This is characterized as the search activities independent of specific need or decisions; that is, it does not occur in order to solve a recognized and immediate purchase problem. Thus if a consumer were searching with an interest in a product but with no demand for the product, the search would be ongoing rather than the pre-purchase. Ongoing search for automobile may include regularly reading an automotive magazine. Pre-purchase search, however, might involve use of some magazines but only regarding them every few years when a new purchase is about to occur. Notice that these search

purposes is different but they involve the same activities; consequently they are difficult to separate in practice.

- c. **Internal Search:** - this is the first stage to occur after consumer experience problem recognition. It is the mental process of recalling and reviewing information stored in memory that may lead to the purchase situation. For instance, a consumer may recall that a friend made very negative comments about a particular brand of coffee maker (which the consumer is now considering buying) while playing bridge several months ago. Notice that these derogatory comments were stored in the consumer memory and now have come into play by affecting his\her attitude unfavorably toward the brand. Thus, the consumer relies on any attitudes, information or past experiences that have been stored in the memory and recalled for the application to the problem in hand. The recall may be immediate or may occur slowly as a conscious effort is made to bring the information to the mind. Once recalled, the information may be used in. The reliance on internal search may be a very important part of shopper strategies, the evaluation process as the consumer seeks to resolve the purchase decision confronting his/her.
- d. **External Search:** - This refers to the process of obtaining information from other sources in addition to that which can be recalled from the memory. Some sources from which such information might be obtained are advertisement, friend sales people, store display and product testing magazines. For this purposes consumer are exposed with these sources of information.

### **Types and Sources of Information:-**

A great variety of information of potential interest to consumer exists in the external environment. Three general categories are:-

- a. Information about the existence and availability of various product and service offerings.
- b. Information useful forming in evaluative criteria- the standards which are employed to evaluate alternatives and,
- c. Information on the properties and characteristics of alternatives.

In general it appears that the type of information sought depends upon what the consumer already knows. For example, when the consumer has little knowledge about available offerings, search effort tend to focus on learning about the existence of available alternatives and forming the evaluative criteria. When he\she feels sufficiently informed in these areas, search is likely to be redirected toward learning more about the characteristics of available offerings in order to evaluate them. (John A Howard and Jagdish N Sheth, 1969, p.46-47) in addition to the direct experience of using product themselves, consumer gain information from three major areas:-

- a. Market dominated sources: - Information in market dominated sources includes channel stems from salespeople, packaging and other sources under the control of the marketer.
- b. Consumer Sources: - Consumer sources include all those interpersonal communication under the control of the marketer.
- c. Neutral Sources: - Neutral sources include the portion of the mass media, Government reports and publication from the independent product-testing agencies. These groups are not under the direct control of the marketer.

It appears that although market dominated sources may be extensively used in the early stage of product awareness and initial interpersonal sources enjoy the most use in later stages of the decision process. The

perceived trustworthiness of personal sources is usually cited as the reason for this finding.

### **III. Evaluation of Alternatives:**

As the consumer engaged in search activity he/she also actively engaged in information evaluation. Evaluation involves those activities undertaken by the consumer to appraise carefully. On the basis of certain criteria, alternative solution to market related problems, the search process determines what the alternatives are, and the evaluation process they are compared so that the consumer is ready to make decisions. In this stage, a consumer uses the information to clarify the various alternatives and their relative attractiveness. This is the least understood part of consumer decision process. Each individual has his/her own system of evaluation. In general, the evaluation process includes:-

- a. Determination of evaluative criteria
- b. Reducing the range of alternative and
- c. Evaluating the alternatives.

When evaluating potential alternatives consumer tend to use two types of information that is

- a. Evoked Set that is a list of brands from which consumer plan to make their selection and
  - b. The criteria consumer will use to evaluate each brand.
- a. Evoked Set: - Within the context of consumer decision making, the evoked set refers to the specific brand a consumer considers in making a purchase within a particular product category. A consumers evoked set is distinguished from his or her inept set, which consists of the brand consumer excludes from the purchase consideration because

they are felt to be unacceptable and from inert set, which consists of the brand the consumer is indifferent toward because they are perceived as not having any particular advantage regardless of the total number of brand in a product category, a consumer's evoked set to be quite small on average, often consisting of only three to five brands. However a research indicates that a consumer consideration set increases in size, as the experience with a product category grows.

b. Criteria used for evaluating brands: - A consumer uses some criteria to evaluate product or brand options. These criteria are based on some standards and specifications that may be objective or subjective. In general consumer tend to evaluate the alternative in terms of product class attribute, brand beliefs and utility function attributes. (Koirala, 2057 B.S., 56)

- Product class attribute:- Normally consumer view the product as the multi attribute product or object having a number of characteristics such as features, name, price, quality, service, warranty etc. during the evaluation stage, consumers are interested to find out how each brand stands in terms of various attributes. Generally all consumers are not interested in all the attributes of product, but to only those which are important to them. Consumer compares the products major attribute with the attributes important to them. For example, while buying a pair of walking shoes, the brand name, price, style, material used, and comfort are the major attributes. A consumer may give high priority to the brand name while another might give priority to the comfort and stills other may consider the materials used in the manufacturer of the shoes.
- Brand beliefs: - Consumer is likely to develop brand belief or brand image during evaluation. Consumer uses their past

experience to develop positive or negative feeling toward the brands of product class. Opinions of other people such as family member, friend and other reference group members also contribute to shape a consumer brand beliefs.

- Utility function attributes:-Consumer are likely to have a utility function for each product attribute. The utility function attribute is expected total satisfaction from various attributes of the different brands of the product. Consumer arrives at some attitude, judgment and preferences toward the brand alternative through evaluation process. The evaluation process however, greatly varies from individual to individual and in same individual from one purchase situation to other.

#### **IV: Choice or Purchase Behavior:**

The evaluation process leads consumer to make choice among several alternatives. In this stage, consumer normally has to make two type of choice: the brand choice and the store choice. Sometimes a consumer also faces a problem of choosing between non-comparable alternative such as purchasing a car or buying a house or going for an expensive vacation. Generally consumer makes three type of purchase. They are:-

- a. Trial purchase
- b. Repeat purchase
- c. Long term commitment purchase.

When a consumer purchases a product for the first time and buys in a smaller quantity than usual, the purchase would be considered as trial. Thus trial is the exploratory phase of purchase behavior in which consumers attempt to evaluate a product through direct use.

When a new brand in an established product category is found by trial to be more satisfactory or better than other brands, consumers are likely to repeat the purchase. Repeat purchase behavior is closely related to the concept of brand loyalty, which most firms try to encourage, because it encourages greater stability in the market place. Unlike trial, in which the consumer uses the product in small quantity and without any commitment, a repeat purchase usually signifies that the product meets with consumer approval and that he or she is willing to use it again and in larger quantities.

Trial, of course is not always feasible. For instance, with most durable goods such as refrigerators, washing machines or electric ranges a consumer directly moves from evaluation to a long term commitment without the opportunity for an actual trial. (Schiffman & Kanuk, 2002, 41)

Consumer's purchase or choice behavior is strongly influenced by the type of decision process in which they are engaged. Good evidence exists that the choice process differs if a consumer uses high involvement approach as compared to low involvement approach and experiential choice approach. The study of consumer choice behavior under high low involvement conditions has generally focused upon identifying the decision rules that the consumer use to decide which alternative brand to purchase. Two brand categories of modes that is compensatory and non compensatory have been used to explain how consumer make choice among the brands. The term compensatory and non compensatory refers to the whether or not high ratings on one attribute can compensate for low rating on other attribute.

In high involvement conditions, evidence exist that consumer uses compensatory rules. In contrast in low involvement condition consumer tend to use non compensatory model of choice.

- a. High involvement choice-Compensatory decision rule:- Under a condition of high involvement choice consumer tend to use compensatory decision rule. Under this rule, consumer use favorable attribute of a brand to overcome the unfavorable attributes. That is, brand strengths are used to compensate for brand weakness. Thus, to follow this rule a consumer need to evaluate brand over several attributes. Consumer undergoes the mental exercise to rate brands over attributes one by one. The brands obtaining the highest total ratings are usually considered for the purchase. Thus, according to this decision rule the brand is not rejected if it is weak in one or two attributes. It has the high chance of acceptance if it has other stronger attributes.

In compensatory models, an alternative not necessarily rejected because it has low rating on any particular attribute. The quality of having high ratings on same attributes and compensate for low ratings on other attributes is the basis for calling this model compensatory.

- b. Low involvement choice-Non compensatory decision rule:- Under a condition of low involvement choice consumer tend to use the non compensatory decision rule. Under this decision rule, consumers consider the strength and weakness of the brand independently and one attributes does not compensate the other. That is the low rating attribute is not compensated by the high rated attribute as compared to that of the compensatory decision rule. These non compensatory models are also called the hierarchical model of choice. They are hierarchical because the consumer is viewed as comparing alternatives on attributes one at a time. Thus one attribute is chosen and all alternative is compared with it. The consumer then moves to the next



attribute and all alternative are compared according to this attribute. The process then continues in hierarchical manner.

Non compensatory choice model are relatively simple to implement. When consumers are in low involvement situation, they are not willing to engage in the large amount of information processing effort required by a compensatory model. The non compensatory models are essentially shortcuts to reach satisfactory decisions rather than optimal ones. Such a process has been called satisfying (Neweel, Allan. and Simon; Herbert, 1972). The non compensatory models are also called the heuristic model of choice. The more important non compensatory models are discussed below:

- The Conjunctive rule: The conjunctive decision rule requires the consumer to establish the minimum level of acceptability in each brand attribute. Thus for each evaluative criterion of importance to the consumer a cut off point will be set below which brand would not be considered further. That is consumer set minimum cut off in on each attribute that he or she wishes to investigate. If the product fails to surpass the minimum cut off level, alternative is rejected. If the cut off level are set very stringently, it is possible that only one alternative is left after all others are eliminated. More often cut off point are set lower so that a number of alternatives remain. As such, the conjunctive rule is often used in initial screening device to eliminate enough brands so that more complex decision approach, such a compensatory model, can be applied to select from the remaining alternative.
- The Disjunctive rule: This approach is used when the consumer establish minimum acceptable performance standards which each brand must meet. Any brand will be acceptable if it exceeds the

minimum standard in any criterion, the decision rule will then be to select the brand that exceeds the others by the greatest amount on the criterion selected.

In conjunctive and disjunctive models, both set minimum standard for each attributes. However, in the conjunctive model if a rating falls below the standard on any attribute, it is rejected. In the disjunctive model, if a rating is above the cut off point on any attribute, the alternative is accepted.

- The Lexicographic rules:- The extension of the disjunctive decision rule allows additional evaluative criteria to be incorporated in the decision if necessary. Thus if a choice cannot be made by evaluating the most important criterion, other evaluative criteria will be assessed in order of their importance. In order to use this approach the consumer is assumed to have an idea of the order of importance of the attributes on which he or she is evaluating a product. After determining the order of importance of attributes, the consumer then rate all the alternative on the most important attribute. The alternative that is best on that attribute is chosen. If a tie occurs, the consumer move to the next attribute and selects the alternative rated best on that attribute and so forth.
- The sequential elimination rule:- In this decision approach, the consumer has established acceptable performance minimum for each evaluative criterion and then proceeds to evaluate each brand and eliminate any which does not measure up to these minimums. This process is different from the lexicographic approach in that it does not require any specific attribute of choice.
- Phased strategies:- Consumer may also sequentially use two non-compensatory models or use a non compensatory model and then a

compensatory model. For example, in phased strategy a consumer first may use conjunctive model in order to reduce the alternative considered to three or four. The consumer then could use the lexicographic rule or even compensatory model to make the final choice. Such phased models are most like to use under high involvement conditions.

- c. **Experiential Choice:-** In experiential choice behavior, the choice is the direct result of the consumer feeling toward the brand. Experiential choice refers to habitual, impulsive and brand loyal purchase situations.
- **Habitual Choice:-** Habitual purchases are made repetitively by the consumer and are formed out of habit. This type of choice behavior is found in low involvement products. There is very little information processing and evaluation in the habitual choice. Consumers at least have one reason to explain their habitual choice.
  - **Impulsive Choice:-** An impulsive purchase is made without prior recognition of the problem. The choice is made on the spur of the moment motivated by strong feeling toward the brand. Most of the department store purchases are driven by impulse. A consumers state of mood also found to influence the impulse purchases. Where consumers are free and relaxed they tend to make their impulse purchases when they are tense.
  - **Brand loyal choice:-** Brand loyalty is the result of strong favorable attitude and continuous satisfaction with the brand. Thus, brand loyalty results from the outcome of previous purchases. There is very little information processing and evaluation of alternative in the brand loyal choice.

Once consumers choose the brand or when they choose the brand, that they have to purchase, next they go for the store choice. It is one of the most important aspects of retail marketing. The store choice decision is very similar to the brand choice decision. Like brand consumer also have the evaluative criteria for store, which they compare with store characteristics or attributes. When they find a particular store acceptable over the evaluative criteria they adopt the stores. There are several factors that affect the store choice decision of the consumer. They may be categorized into consumer characteristics and store characteristics.

### **V: Post-Purchase Behavior:**

Once the consumers purchase the product, they use it and behave with it in some manner. After they use the product, consumer evaluates the product in light of their own expectation.

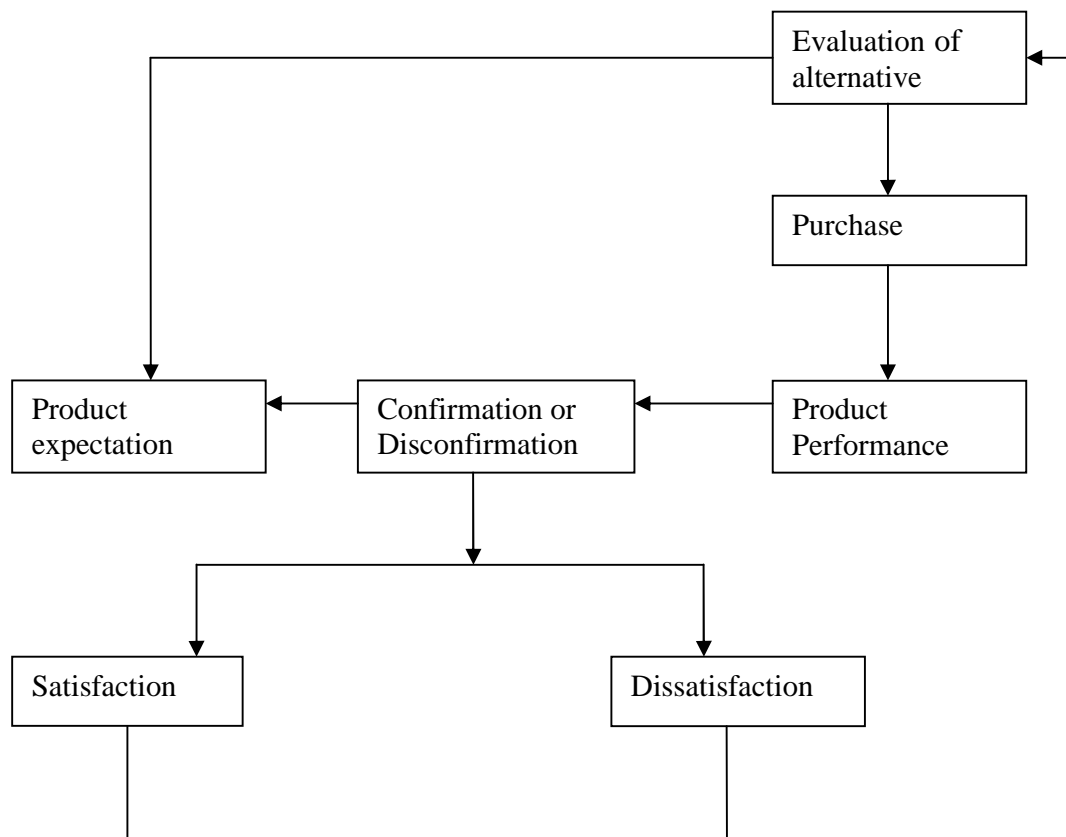
In addition to the overall types of behavior that result from purchase, the consumer also engages in evaluation of the purchase decision. Because the consumer is uncertain of the wisdom of this decision, he rethinks this decision in the post-purchase stage. There are several functions which this step serves. First, it serves to broaden the consumer set of experience stored in memory. Second it provides a check on how well he is doing as a consumer in selecting products, stores and so on. Third the feedback the consumer receives from this stage helps to make adjustments in future purchase strategies. This can be discussed into the heading Satisfaction and Dissatisfaction, Consumer complaint behavior, post purchase dissonance and Disposal.

a. Satisfaction and Dissatisfaction: The consumer continues to make evaluation after the purchase has been made. The extent of post purchase evaluation depends up on whether the product is high involvement or low involvement. In low involvement products, the

consumer has entailed the low level of opportunity cost and thus post purchase evaluation is not intense. In high involvement products, where the opportunity cost is high, consumer constantly tend to evaluate their purchase decision.

After consumer buy, use or consume the product they tend to develop feelings of satisfaction and dissatisfaction toward the product. Satisfaction refers to buyer's state of being adequately rewarded by the purchase decision. Thus consumer satisfaction is a type of consumer attitude. Satisfaction leads to purchase where as dissatisfaction lead to the termination with the product. Satisfaction\Dissatisfaction process is described in the figure below:

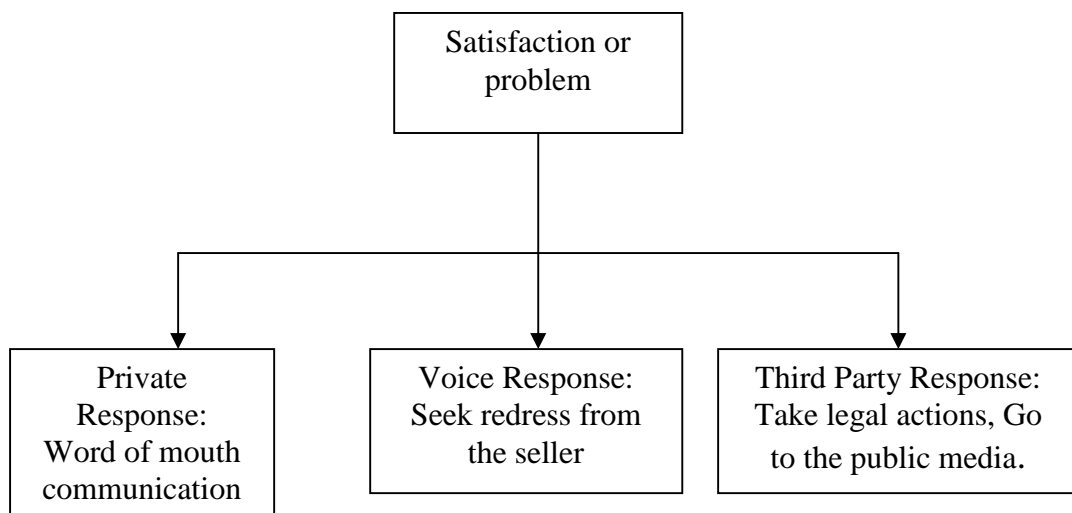
**Figure No. 2.1**  
**Satisfaction and Dissatisfaction Process**



*Source: Loudon and Bitta, 2002*

b. Consumer complaint behavior:- The Consumer complaint behavior is a direct result of dissatisfaction with the product or service. There are several form of complaint behavior. Consumers may exhibit unfavorable word-of mouth communication behavior and tell other people about their dissatisfaction. Consumer may also lodge the verbal or written complaint to register their dissatisfaction. The following figure depicts three actions of dissatisfy consumers.

**Figure No. 2.2**  
**Consumer Complaint Behavior**



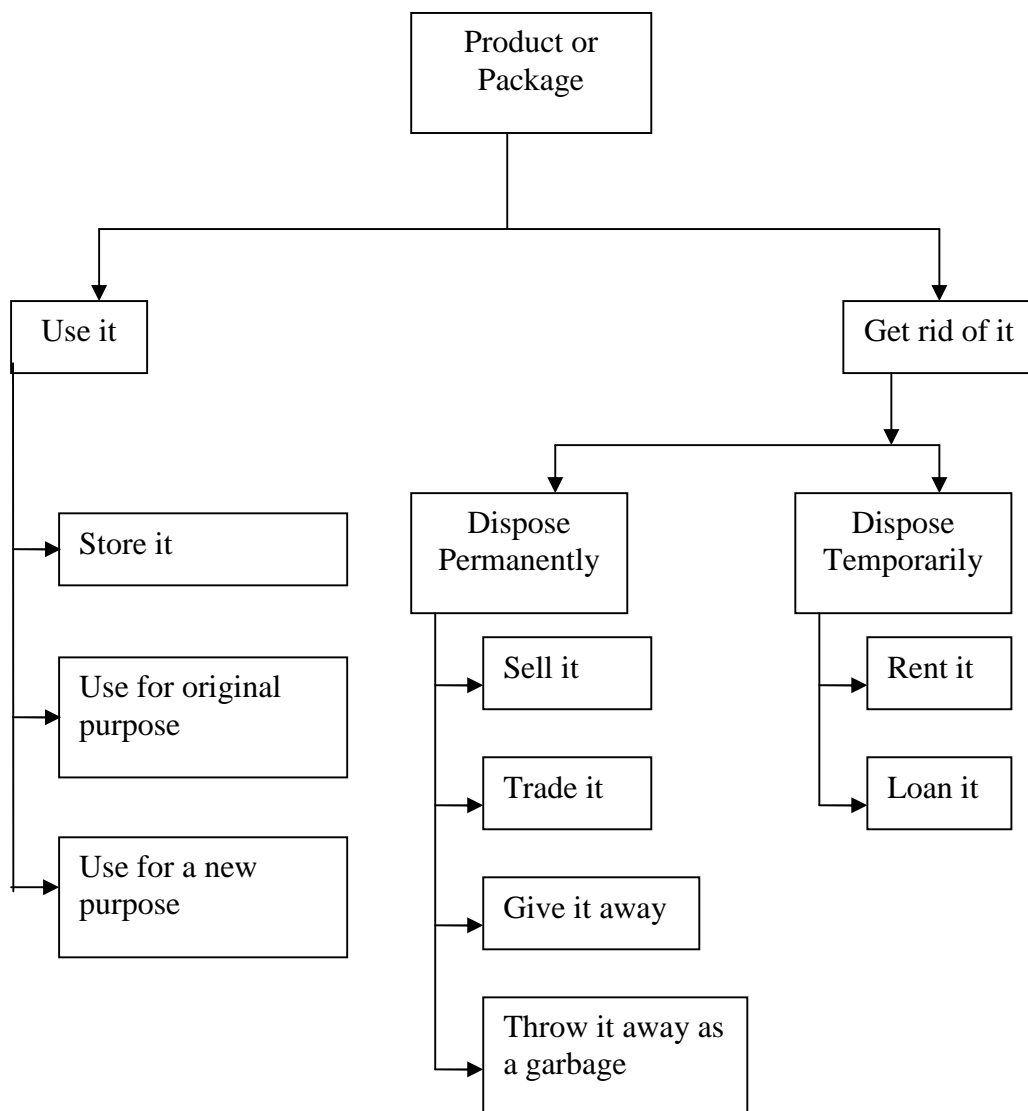
*Source: Loudon and Bitta, 2002*

c. Post Purchase Dissonance: Very often, negative feeling may arrive after the purchase of high involvement product. In post purchase situation a consumer may develop imbalance or lack harmony on two cognitions or belief about the product and all other forgone opportunity. The consumer is tormented with anxiety relating to whether the purchase decision was sound or not.

d. Disposal: Disposal is the last step of consumer decision process. Once the products are purchased, consumed then next step is to dispose the product. Disposal now has become the very important from the

prospective of marketer as well as for the public policy maker. For marketer the study of disposition is important to understand the consumers use and alternative use process. For public policy makers, disposition is a critical issue of management of solid waste in urban center. Consumers dispose the product once they use it. Several method of disposition that the consumer may use is depicted in the diagram given in the next page:

**Figure No. 2.3**  
**Disposal Method of Consumer**



*Source: Loudon and Bitta, 2002*

If consumer is highly satisfied with the product he/she may continue to use the product for a long time. They can also convert a product for its new use. Consumer often handles their dissatisfaction through temporary disposal method which can be done by renting or loaning the product. The immediate dissatisfaction with the product leads to a permanent disposal of the product.

### **2.1.3 Factor Affecting Consumer Buying Behavior:**

Consumer buying behavior is influenced by economic, personal, psychological and socio-cultural factors.

#### **1. Economic Factor**

Economic factors greatly affect buying decisions. They consist of

- **Level of income:** The ability to spend is determined by the level of spendable income. Product choice of income-sensitive products is very much dependent on income level. Nepal has a joint family system where the income of the various members of the family augments the level of income.
- **Liquid assets:** Consumers who do not have regular income may possess assets like gold and silver. They provide spending power to consumers.
- **Saving, Debt and Credit availability:** They all affect consumer expenditure levels, high saving results in lower interest rates. Credit availability by bank becomes cheaper through lower interest rates. This increases the level of consumer spending.
- **Attitude towards spending:** Negative attitude towards spending adversely affects the willingness of the consumer to spend. This influences the product choice.



## **2. Personal factor: (Demographic Factor)**

**Age:** Consumer buy different product according to age group. Their taste in food, choices, recreation is age related. Young consumer like to experiment on new and fashionable field where as older consumer prefer brand loyalty.

**Sex:** Male and female exhibit many difference in their buying behavior. Their needs also very.

**Family size and Family Life Cycle :** Family size determines the level of expenditure and product choice. Buying decision in larger families favor brand loyalty. The family life cycle influences spending patterns. Product interest differ according to the stage in family life cycle. Single, bachelors, married and old.

**Occupation:** Occupation influences the consumption patterns.

## **3. Psychological Factor**

Psychological factors consist of motivation perception, learning, attitude, personality and life style.

**Motivation:** A motive is a pressing need that drives consumers to seek satisfaction. It directs them to act toward goal-oriented behavior to reduce tension. Motives motivate consumers. Motivation is an activated state within the consumer that leads to goal oriented behavior. a motivated consumer is ready to act.

**Perception:** Perception influence how the motivated consumer actually acts. Perception is the process of selecting organizing and interpreting information input by an individual to produce more. Consumer decide information through the five senses see, hear, taste, smell and touch. Perception gives meaning to information.

Consumer perceive the same situation differently because

Selective attention

Selective distortion

Selective retention

**Learning:** When consumers act they learn. Learning is changes in a individual's behavior resulting from information and experience. Most human behavior is learned. These are various theories of learning.

**a. Stimulus response theory of learning:** A person response to some stimulus by behaving in a particular way. The Person is rewarded for a correct response or punished for an incorrect one.

**b. Modern theories of Learning:** In this theories of learning four factors are essential to Learning.

- Drive
- Cues
- Response
- Reinforcement

**Attitude and Belief:-**

**Attitude:** Attitude reflect likes and dislikes of consumer. An attitude is a person learned predisposition to respond towards some object in a consistently favorable or unfavorable way. Personal experience, environment and learned have consistency and are either favorable or unfavorable about object.

**Belief:** A belief is a descriptive theory that a consumer holds about something. It may be based on knowledge, opinion or faith. Belief wake up product and brand images.

**Personality:** Personality is an individual's psychological trait that lead to enduring behavioral responses. Personality traits can be

Dominance or autonomy

Self confident or dependency

Extrovert or introvert

Adaptability or dogmatism

Aggressive or friendly

Personality traits do influence consumer behavior but not much is known about how they influence behavior.

**Life style:** Life style is a person's patterns of living reflected in his activities interest and opinion

**Activities:** Work, hobbies, shopping, sports, etc.

**Interest:** Family, home, job, fashion, food, etc.

- Opinion: Self, society, policies, product, etc.

Psychographics is the science of measuring and categorizing consumer life style.

**Socio-cultural factors:** Social factors are influences that other people exert on consumer behavior. They consist of reference groups, family and social class.

**Reference Group:** Reference group consists of groups that have a direct or indirect influence on the consumer attitude or behavior. They serve as a point of reference for consumer's judgment. Reference group influence product and brand choice.

**Family:** The role performed by each member influences family purchase decision. The various roles are:

**Initiator:** Suggest the idea for the product

**Influence:** Provides the information and advice about the product

**Decider:** Makes the buying decision

**Buyer:** Uses or consumes the product

Marketer should design marketing mix to target member who make key buying decision

**Social class:** Ranking within a society determined by its members constitute social class. It can be upper, middle and lower. It indicates preference and life style. Members share similar values, interest and behaviour. Social class reflects income, occupation, education and area of residence.

There are substantial difference among the classes. Marketing mixes need to be tailored to the specific social classes. Buying behavior of consumer is strongly influence by the class to which they belong or to which they aspired.

**Role and status:**

**Role:** It consist of activities that a person is expected to perform in many groups. Consumer perform many roles consumer choose the product that communicate there role in society.

**Status:** It is provided by the role. Product provides status symbol.

**Culture:** Cultural factors that influence consumer behavior consist of culture and sub-culture.

**Culture:** culture is representing by symbol and artifacts created by a society and handed down from generation to generation. The symbol may be values, attitudes, beliefs, language, religion. Culture reflects the ways the people choose to live together. It changes over time.

**Sub-culture:** Each culture consist of smaller sub cultures. Sub culture is sub division of culture based on homogeneous characteristic such as religion, language, race, cast, ethnicity etc. sub culture provides more specific identification and socialization for its member.

**2.2. Review of Previous Studies:**

Review of previous study means the review of other research, dissertation and thesis related to the researcher own study. It helps the researcher to know what have been conducted in the field of study and what remains to be done. It also provides the framework for conducting research. It also helps to formulate the hypothesis. The prior study in the area of research makes the researcher research so easy and simple. The prior study related to research field of study will be very much helpful for the researcher in

his work area. Such types of studies that help the research work directly or indirectly are described below:-

Mr. Lamichhane (1996) entitled is “A research on family influence in buying decision” was conducted by Prakash Lamichane in 1996. he selected certain type of consumers whose family were likely to be more involved in decision making with the objectives of examine the nature and dynamics of family influence in making purchase decision in the context of urban areas of Nepal.

The main findings of this study are as follows:-

- a. The study found that wife is an influential person in initiating the need and in collecting information.
- b. Most of the families have gathered information from family discussion, different dealers and from their neighbors.
- c. The joint decision takes place in the evaluation and final decision stage of buying high involvement products.
- d. In most cases, wife follows the purchase of the products.

Mr. Panta (1998) research on “A study on brand loyalty” was done by The major objective of the study was to examine the brand awareness of the Nepalese consumer and to identify the correlates of brand loyalty especially in low involvement product for this purpose. Primary data were collected from the hundred respondents with the help of structured questionnaire.

The major findings of this study were:-

- a. Most of the Nepalese consumer is brand loyal; however the percent of consumer showing entrenched brand loyalty is very low.

- b. Brand loyalty varies across the consumers as well as products. Brand loyalty is relatively in the products that are frequently needed than those which are needed or less frequently used.
- c. The consumer belonging to 26 to 40 years of age is more brand loyal than those belonging to any other age group.
- d. The consumer belonging to the nuclear family system is comparatively more brand loyal than those belonging to the joint family system.
- e. Brand loyalty is strongly associated with consumer's income and shop loyalty.
- f. Brand loyal consumer is less influenced by special deals like free samples, discount coupons, price activities and advertisement.

Mr. Timelsena (1999) entitled is "A study on buyer's behavior of Indian Gorkhas and local people". The basic objective of this study was to find out brand preference, purchase frequency, shop awareness and purchase criteria used by Indian Gorkhas and local peoples while purchasing clothing apparels. This study is also based on primary data and was collected from the 170 sample and random sampling method was used in this study. The major findings of this study are as follows:-

- a. The purchasing tendency of foreign brands of clothing apparels by the Indian Gorkhas and local people is lower in comparison to the other brands.
- b. The majority of Indian Gorkhas purchaser was male and other use apparel on the yearly basis. Female, children and domestic use apparel were purchased on the basis of half yearly. Similarly, the majority of local people purchasers were female and apparels were purchased on yearly basis.

- c. The awareness level of Indian Gorkhas regarding to the shop is found to be low where as the local peoples awareness level was high in comparison to the Indian-Gurkhas.
- d. The Indian-Gurkhas like to purchase the clothing apparels mostly from an integrated shop but the local people prefer to go to the clothing shop.
- e. The price was the major factor of considerations before making any decision by both segments.

Mr. Sherpa (2005), on the topic "A Consumer's decision making process under the high involvement purchase situation on TV" with the main objective to find out the decision process of consumer in the case of high priced and risky items. It is the study made on 120 groups of buyers of T.V of the Kathmandu city. The major findings of the study are presented below:-

- a. Twelve brands of T.V are found to have purchased but the large majority of the respondents have found to purchase the renowned brands of T.V.
- b. Most of the Nepalese T.V buyer recognizes the need for buying T.V themselves.
- c. Among different sources of need recognition, own experience and product importance are those sources through which the majority of the respondents recognize the T.V buying need.
- d. Sources of information available to Nepalese T.V buyer have five dimension namely advertisement, interpersonal sources, dealers visit, salesperson and checking model and it is found that they give more emphasis on the interpersonal sources of information.

- e. As regards to the frequency of sources of information utilization, the majority of Nepalese T.V buyers used advertisement most frequently.
- f. Two group of buyer exists one using the purchase pals and another not using them. The majority of the respondents are found have used purchase pals while buying T.V.
- g. Among the different type of purchase pals, friends and spouse are most commonly used purchase pals by the Nepalese T. V buyer.
- h. Most of the Nepalese T.V buyers used purchase pals to make sure that their chosen brand is the right one among the different alternative.
- i. Despite of having an opportunity to consider wide range of brands and models as possible purchase candidates, the Nepalese T.V buyer have rather small size of evoked set for both the brands and models of T.V.
- j. In the process of evaluation of alternative. The Nepalese T.V buyers are found to considered price as the most important criteria for evaluating the different brand of T.V.
- k. By concerning the brands and models recommendations most of the respondents purchased the T.V which is recommended by their friend and family member.
- l. As regards to the choice behavior of the T.V buyers of Nepal, the majority of the respondents make purchase decision by considering warranty and guarantee factors.

Mr. Neupane (2006) entitled "Study of market situation of toothpaste in Chitwan" has been conducted to find out the role of advertising on brand choice of low involvement consumer goods. It is the study trying to show the importance of advertising on brand choice of low involvement products. The objective of this study was to find out if advertising plays any supportive role in brand choice decision, if the consumers brand



choices for low involvement goods are completely, partially or not impressed through advertisement, if there other promotional tool exist, which has more weight in brand choice decision than advertising.

Ms. Adhikari (2007) entitled "Impact of television advertisement in sales" has been conducted to find out the role of advertising on brand choice of low involvement consumer goods. It is the study trying to show the importance of advertising on brand choice of low involvement products. The objective of this study was to find out if advertising plays any supportive role in brand choice decision, if the consumers brand choices for low involvement goods are completely, partially or not impressed through advertisement, if there other promotional tool exist which has more weight in brand choice decision than advertising.

In Nepalese product market there are various cosmetic products are available for consumer use. These products are manufactured by various national and international manufacturers and out of them Vatika Shampoo is one of the most favorites cosmetic product, which is produced and introduce into the Nepalese product market by Dabur Nepal Pvt. Ltd. and this is the sister concern of Dabur India Ltd. However, there are no previous research reports are available in Nepal in the field of marketing studies regarding the Nepalese cosmetic product. Likewise, there is no any research can be found with reference to vatika shampoo though. It is a necessity of such types of research in Nepal. Thus, researcher has attempted to prepare and present this report to fulfill the requirements of such reports.

### **2.3. Research Gap**

The review of literature helps the researcher to be understandable with the research problem of the area of the study. By reviewing the literature,

the researcher of this study was also able to know the major theme of the study and how to conduct it to get the major objective of the study.

Most of the researchers try to study consumer behavior on different product. Only few studies are conducted on high involvement product mainly motorbike and they have many weakness such as they cannot show the proper relation between the marketer and the consumer decision process in buying goods or service. Likewise the researcher has not yet found any research conducted in Khairahani VDC, Chitwan to this topic.

In this dissertation, researcher tries to study more to find out the consumer decision making process on high involvement product motorbike in Khairahani VDC. Further more in this dissertation researcher has used chi-square test and weighted average as statistical tool to find out the independency and dependency of consumer decision on high involvement product.

## **CHAPTER-THREE**

### **RESEARCH METHDOLOGY**

Methodology is the pathway or an approach to get the needed information by locating the data from different sources which are primary & secondary.

Research Methodology is a way to systematically solve the research problem. It explains the methods, used in the study including presentation of the research design. (Wollf and Pant, 2003)

In order to achieve the overall objective of consumer decision making process for high involvement goods (risky and expensive) in Khairahani VDC area, this study will attempt to identify and analyze pre-purchase activities performed by Nepalese buyers of such products. Research Methodology that employed in this study is as follows:

#### **3.1 Research Design**

This study determines the consumer decision making process under high involvement purchase situation. This is the fact finding study involving collection of data directly from the chosen sample. So survey research design is used as the study seeks the responses directly from the respondent. Since there has been no prior research in this area in Nepal, this study is exploratory in nature. So, exploratory research design is used in this study although descriptive research design is also used wherever necessary.

#### **3.2 Population and Sample:**

In this study all the people using motorbike in Khairahani VDC Area are considered as the population. While sample consists of 150 respondents who are the recent motorbike buyer of the Khairahani VDC Area. As the

study is based on self reported account of pre-purchase activities of the buyers, accuracy is the crucial factors. So the respondents to be used in this study are comprised of motorbike buyer who brought their motorbike recently from the date of interview. These recent buyer of motorbike can be expected to recall their activities they performed while buying their motorbike with some confidence.

### **3.3. The Sampling Procedure:**

Sampling procedure consists of product sample, Sample unit, Sample of respondents and Sampling method.

#### **3.3.1. Product Sample:**

In this study motorbike is chosen as the product sample because motorbike is one of the products which are more risky and thus more involving.

#### **3.3.2. Sampling Unit:**

Sampling unit for this study consists of the recent motorbike buyer of the Khairahani VDC Area and they are selected on the basis of the information required by the researcher or on the basis of researcher intuition.

#### **3.3.3. Sample of Respondents:**

The sample of respondent used in this study constitutes of 150 recent motorbike buyer of the Khairahani VDC Area. As this study is based on the self reported account of pre-purchase activities of the buyers, accuracy is the crucial factors. So the respondent used in this study comprises of the motorbike buyer who bought their motorbike recently from the date of interview. These recent buyer of the motorbike are expected to recall the activities they performed while buying motorbike with some level of confidence. The sample of respondent taken on the basis of their age and the brand of motorbike they used.

### **3.3.4. Sampling Method:**

Sample is taken on the basis of Judgmental sampling method in this study. All the sample of buyer is selected by using this method in order to generate a list of buyers who bought motorbike recently. However some of the information can be generated from the dealers, in this study most of the data was collected by the researcher himself so the data that is used in this study is primary in nature and for the simplicity of data collection judgmental sampling is used, if necessary the data from the dealer is used.

### **3.4 Methods of Data Collection:**

In this study exploratory research design is used which requires the primary data. That is sources of data required for this study is primary in nature. In order to test the significance of hypothesis proposed by the present study, all information's are collected directly from the buyer of the product.

The data are collected from self administered questionnaire at the respondent place at the mutually convenience time. For the purpose of study questionnaire covering all the aspects of consumer decision process is prepared and put forward to the respondent. Moreover a few additional questions are asked for probing.

### **) Variable**

Variable is a logical set of attributes. It is one which takes different of experiment. Following variables are used in this study.

### **Sources for Need Recognition**

Friends, Family/Relatives, Advertisement shown, Dealer/Showroom & Shown in Market

### **Sources of Information**

Ratio Advertisement, T.V. Advertisement, Printed Advertisement, Friends and Family Members, Visit to the dealers, Talking to the Salesperson, Checking Models & Others.

### **Types of Purchase Pals**

Friend, Relative, Sales Man, Spouse & Others.

### **Reasons for Using Purchase Pals**

Help to decide which one to buy from, Different Brands, Get bargains from the dealers, Check how he feels about my choice, Get His help on inspecting model & Make sure that chosen brand is the right one.

### **Purchasing Factors**

Warranty/Guarantee, Discounts, Mode of Payments, After Sales Services & Others

### **3.5. Methods of Data Analysis:**

In order to analyze the respondent in their problem recognition self reported data on their need recognition, search for information, choice behavior and post-purchase behavior related to the purchase of durable product like motorbike the collected data are thoroughly checked, compiled and presented in an appropriate table. Analysis is done descriptively as well as statistically. For statistical analysis statistical tools such as chi-square test and weighted average mean, pie charts and bar diagram are also used.

#### **3.5.1. Chi-Square Test:**

It is one of the most popular non parametric test of Social science research. It is used to make comparison between two or more nominal variables. In many business problems we are required to ascertain the

frequency of events falling in specific categories. For example – In Marketing Research we count the number of people who prefer a particular brand of detergent powder; in socio economic studies, we count the number of children in the families at different level of quality control, we count the number of defectives produced by the machine during certain period of time. Thus there are many situations where measurement is by counting of number or frequency in each category. Chi-square test is applied to such frequency of occurrence as against the expected ones without reference to population parameters, which were done earlier in significance testing. (Sthapit, Gautam, Joshi, Dangol, 2004). This evaluates whether difference between the observed frequencies and expected frequencies under the null hypothesis can be attributed to chance or the actual population differences. A Chi-square value is obtained by using the following formula.

$$\text{Chi-Square } (\chi^2) = \frac{(f_o - f_e)^2}{f_e} \quad \chi^2 = \frac{(O - E)^2}{E}$$

Where,

$F_o$  = Observed frequency

$F_e, E$  = Expected frequency

The Chi square test is used in this study for the purpose of testing the influence on consumer regarding need recognition, influence of interpersonal as well as external sources, uses of the purchase pals and reason for using the purchase pal. The steps that are followed in the Chi-square test is described below.

1. Setting the hypothesis:

a. Null Hypothesis ( $H_0$ ): It is the hypothesis of no difference.

- b. Alternative Hypothesis ( $H_1$ ): It is the hypothesis complementary to the null hypothesis and set in such a manner that acceptance of null hypothesis means the rejection of the alternative hypothesis.
2. Deciding proper test statistic: Here the test to be done is chosen. Researcher in this study has chosen the Chi- square test.
  3. Level of Significance: Here the levels of significance are fixed where the hypotheses are tested such as 5%. Here the researcher has used the 5% level of significance.
  4. Critical region: It is to establish a decision rule. Here the entire sample space is divided into two sections one complement to the other and acceptance of one region leads to the rejection of the another region and vice-versa.
  5. Decision: Here the decision regarding the acceptance or the rejection of the null hypothesis is made.

### 3.5.2. Weighted Average Mean:-

In the simple mean all the items of distribution are assumed to be equally important in the distribution. But in practice this may not be so. The importance of some item in a distribution may be greater than other. So, in many cases proper weighted should be given on various items. Weighted Average Mean is calculated by using following formula. This mean is used by the researcher in this study for the purpose of the calculation of the value of the rating given by the consumer to different factor while purchasing motorbike.

$$\text{Weighted Average Mean } (\bar{X}_w) = \frac{W_1X_1+W_2X_2+\dots+W_nX_n}{W_1+W_2+\dots+W_n} = \frac{WX}{W}$$



### **3.5.3. Pie Chart:**

Circle diagram is in the form of circle whose area represents the total value. The circle diagram dividing into different sections by radial lines such that the area of each of the sector representing the component value of total value is said to be the pie diagram. Pie diagram is used to show the relation between the components with one another and also to the total. In this study also different components are compared with the help of pie diagram.

### **3.5.4. Bar Diagram:**

Bar Diagram are the one of the most used and easiest method of presenting data in the graphical form. Bar diagram consists of a set of rectangles one for each set of data in which the magnitude or values are represented by the length. There are various types of bar diagram, among them multiple bar diagram is used by the researcher in this study.

## **CHAPTER-FOUR**

### **DATA PRESENTATION AND ANALYSIS**

The data presentation and analysis is the most skilled task in the research process. It calls for the researcher own judgment and skill. Data are collected in the raw form and they are coded edited and then after they are presented in the tabular form. This process helps in analyzing the data. Analysis means a critical examination of the assembled and grouped data for studying the characteristics of the object under study and for determining the pattern of variables relating to it. Both qualitative and quantitative methods are used here.

Once the data are collected, they are to be presented in the table and are to be analyzed according to the requirement. This chapter includes the presentation of the data and its analysis. In this chapter, the data are collected from the respondents and are presented, analyzed and interpreted, the first section of this chapter incorporates the respondents profile and remaining section contains analysis and interpretation of the data relating to consumer decision making process under high involvement purchase situation.

#### **4.1. Respondent Profile:**

The first part of the questionnaire was used to obtain some demographic information related to the age, income, household size, education and marital status. The responses to those questionnaires are presented in below.

#### 4.1.1. Age

The respondent age according to the different age group are presented in the table below:

**Table No. 4.1**

#### Age Group

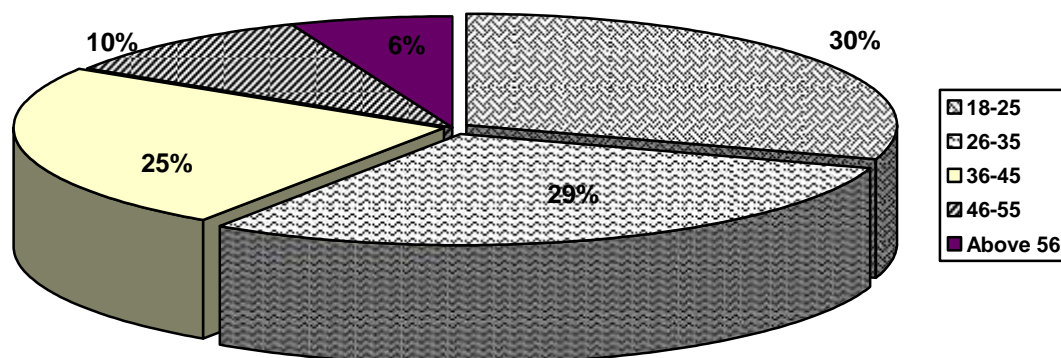
Age Group	Number	Percentage
18-25	45	30
26-35	44	29.33
36-45	37	24.67
46-55	15	10.00
56 and above	9	6
Total	150	100

*Source: Consumer Survey 2069*

The age group of the respondent is presented in the pie diagram below:

**Figure No. 4.1**

#### Age Group



*Source: Table No. 4.1*

Table no. 4.1 shows the age group of the respondents. Out of one hundred and fifty respondents of the sample 30% fall on the age group of 18-25, 29.33% falls on the age group of 26-35, 24.67% falls on the age group of 36-45, 10% falls on the age group of 46-55 and remaining 6% falls on the age group of above 55. The table shows that the people of age group between 15 to 35 are the active buyer of the motorbike.

### 4.1.2. Income

The table presented below shows the income level of the one hundred and fifty respondent of the Khairani VDC area.

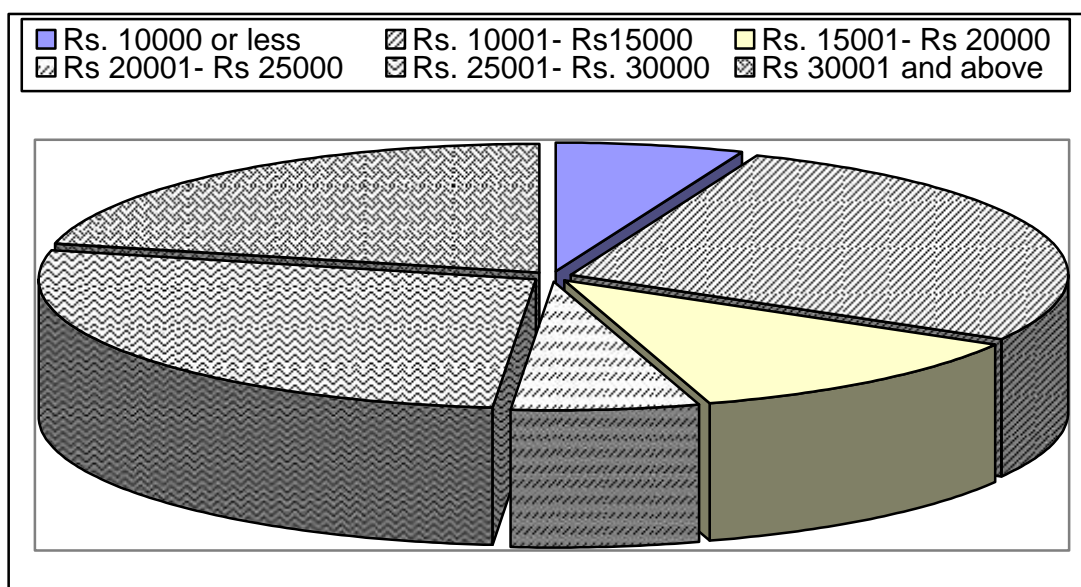
**Table No. 4.2**  
**Income Level**

Income Volume	Number	Percentage (%)
Rs. 10000 or less	9	6.00
Rs. 10001- Rs15000	41	27.33
Rs. 15001- Rs 20000	18	12.00
Rs 20001- Rs 25000	9	6.00
Rs. 25001- Rs. 30000	41	27.33
Rs 30001 and above	32	21.34
Total	150	100

Source : Consumer Survey 2069

The income volume of the respondent is presented in the pie diagram below:

**Figure No.4.2**  
**Income Volume**



Source: Table No. 4.2

The table no 4.2 shows the income level of the sampled respondents. Among one hundred and fifty respondents 9 (6%) of the respondents have the income up to 10000, 41(27.33%) of the respondents have the income up to 15000, 18(12%) of the respondents have the income up to 20000, 9(6%) of the respondent have the income up to 25000, 41(27.33%) of the respondent have the income up to 30000 and 32(21.34%) of the respondent have the income more than 30000. And none of the respondent have the zero income. The table shows the variation in the income of the respondents as they vary across high income to the low income.

#### 4.1.3. Household size:

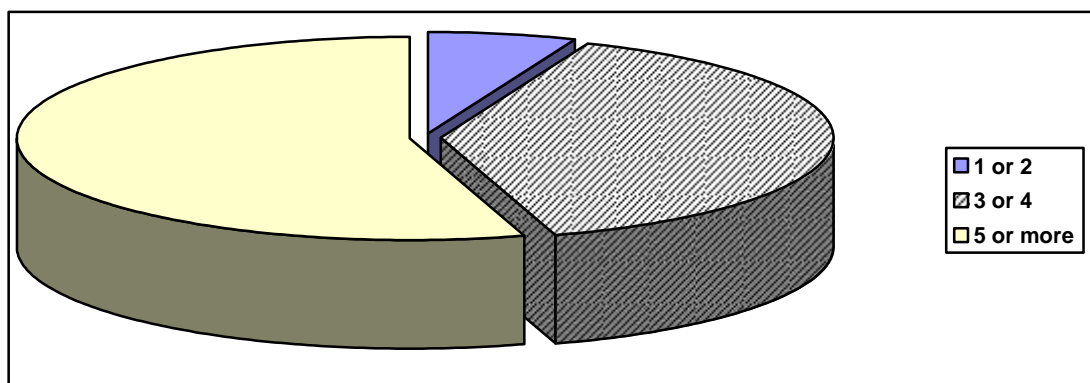
The table presented below shows the household size of the sampled respondents.

**Table No. 4.3  
Household Size**

Household Size	Number	Percentage (%)
1 or 2	9	6.00
3 or 4	59	39.33
5 or more	82	54.67
Total	150	100

*Source: Consumer Survey 2069*

**Figure No. 4.3  
Household Size**



*Source: Table No. 4.3*

Table No. 4.3 shows the size of household of the sampled respondent. As shown in the table 6% of the respondents have the household size 1 or 2, 39.33% of the respondents have the household size 3 or 4 and 54.67% of the respondents have their household size more than five. So the table shows that most of the respondents, almost ninety five percent have the 3 or more family members.

#### **4.1.4. Educational Background:-**

The table presented below shows the Educational background of the sampled respondents.

**Table No. 4.4  
Educational Background**

Educational Level	Number	Percentage (%)
Illiterate	4	2.67
Primary	4	2.67
Secondary	13	8.67
S.L.C	17	11.33
Intermediate	56	37.33
Graduate	47	31.33
Postgraduate	9	6.00
Above post graduate	-	-
Total	150	100

*Source: Consumer Survey 2069*

The above table shows the educational level of the respondent. Among 150 respondents, 2.67% of them are illiterate, 2.67% at primary level, 8.67% at secondary level, 11.33% of the respondent have passed SLC, 37.33% at intermediate, 31.33% at bachelor level and remaining 6% at the master level. The above table shows that nearly eighty percent of the respondents are above SLC.

## 4.2. Analysis and Interpretation of Data Relating to Consumer Decision Process under High Involvement Purchase Situation:

### 4.2.1. Brand Reference:

The table presented below shows the brand of motorbike that the researcher has obtained by surveying the given number of respondents.

The table is presented in such a way that it also shows the sub brand of one brand such as Y.B.R, Gladiator are in the brand name Yamaha.

**Table No.4.5**  
**Brand Reference**

Brand and Sub Brand	Number	Respondent	Percentage(%)
1. Yamaha			
▪ Alba	9		
▪ YBR	7		
▪ Gladiator	4		
▪ FZ	5		
▪ Enticer	2	27	18.00%
2. Hero Honda			
▪ Splendor +	10		
▪ Super Splendor	9		
▪ CBZ	8		
▪ Hunk	4		
▪ Pleasure	9	40	26.67%
3. Bajaj			
▪ Discover	10		
▪ Avenger	2		
▪ XCD	3		
▪ Pulsar	13	28	18.67%
4. Honda			
▪ Shine	12		
▪ Unicorn	5		
▪ Dio DLX	13	30	20%
5. Suzuki			
▪ GS	7		
▪ Zeus	3		
▪ Access	3	13	8.67%
6. TVS			
▪ RTR	3		
▪ Streak	2	5	3.33%
7. Mahindra Flyte/Duro	3	3	2%
8. Hardford VR	4	4	2.67%
Total		150	100

Source : Consumer Survey, 2069

Table No. 4.5 shows the Brand Reference of the surveyed respondents. Among 150 respondents, 18% of the respondent purchase the Yamaha brand motorbike, 26.67% buys the Hero Honda brand of motorbike, 18.67% purchase the Bajaj brand of motorbike, 20% purchase the Honda motorbike, 8.67% buys the Suzuki motorbike, 3.33% purchases the TVS, 2% purchases the Mahindra Flyte/Duro brand of motorbike, 2.67% purchases the Hardford VR motorbike however some other still use the other brand of motorbike also.

#### 4.2.2. Buying Year:

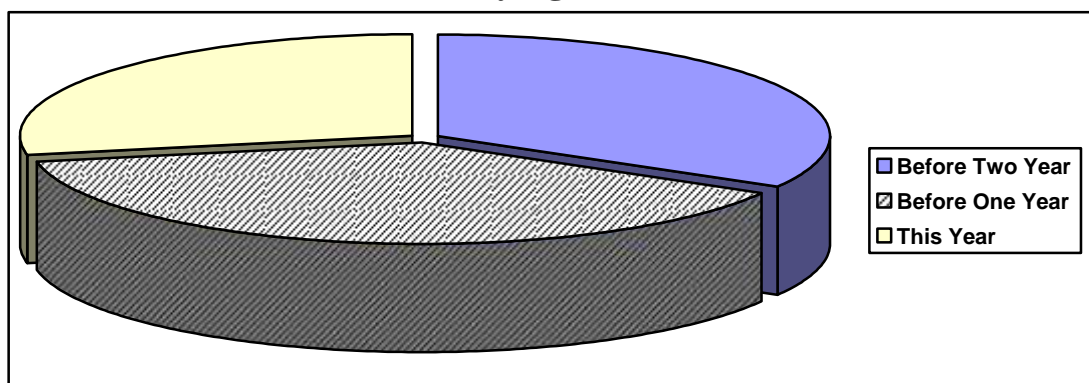
The table presented below shows the buying year of the motorbike of the surveyed respondent. Motorbike that has been purchased too earlier has not been included here or more than 5, 6 year has not been included here.

**Table No 4.6  
Buying Year**

Buying Year	Number	Percentage (%)
Before two year	61	40.67
Before one year	39	26.00
This year	50	33.33
Total	150	100

*Source: Consumer Survey 2069*

**Figure No.4.4  
Buying Year**



*Source: Table No. 4.6*



Table No 4.6 shows the buying year of the motorbike of the surveyed respondent. Among one hundred and fifty respondents 40.67% have purchased their motorbike before two years, 26.00% have purchased their motorbike before one years and the remaining 33.33 & have purchased their motorbike this year.

### 4.2.3. Need Recognition

It is the first step of consumer buying process or we can say that once the need recognition occur consumer buying process starts. In fact consumer might have some need to purchase something. Consumer buys goods and services after they feel their need. And need recognizer is that factor which motivates the consumer or shows the need of purchasing goods to the consumer. The table represented below shows the need recognizer of sampled respondents.

**Table No.4.7**  
**Need Recognition**

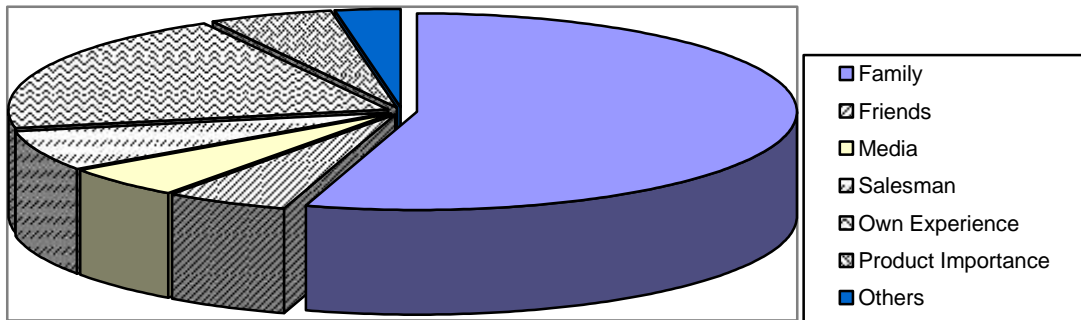
Need Recognizer	Number	Percentage (%)
Family	82	54.67
Friends	8	5.33
Media	8	5.33
Salesman	10	6.67
Own Experience/Themselves	30	20.00
Product Importance	8	5.33
Others	4	2.67
Total	150	100

*Source: Consumer Survey 2069*

The need recognition of the sampled respondent can be presented in the pie diagram as shown below:

**Figure No.4.5**

**Need Recognition**



*Source: Table No. 4.7*

The table No. 4.7 shows the Need recognizer of the considered respondents. As shown in the table 54.67% of the respondent recognize the need of buying the motorbike by their family, 5.33% respondents recognize the need of buying the motorbike by their friends, again 5.33% recognize need by media, 6.67% purchases the motorbike by salesman's suggestion. 20% of the respondents recognize the need of buying motorbike by their own experience, Due to the product importance 5.33% of the respondent choose their motorbike. Other caused of choosing motorbike is 2.67%. The table shows that more than 50% of the respondent recognizes the need of buying motorbike by their family.

**4.2.4. Sources for Need Recognition:**

For Consumer needs are recognized from the different sources. Sources may vary according to the consumer. One source that has been used by one consumer may be used by the other or not. There are different sources available to the consumer in the market. Among such sources that are more important to the consumer are included here. Such sources of information that help consumer to recognize the need is shown in the table below.

**Table No. 4.8**

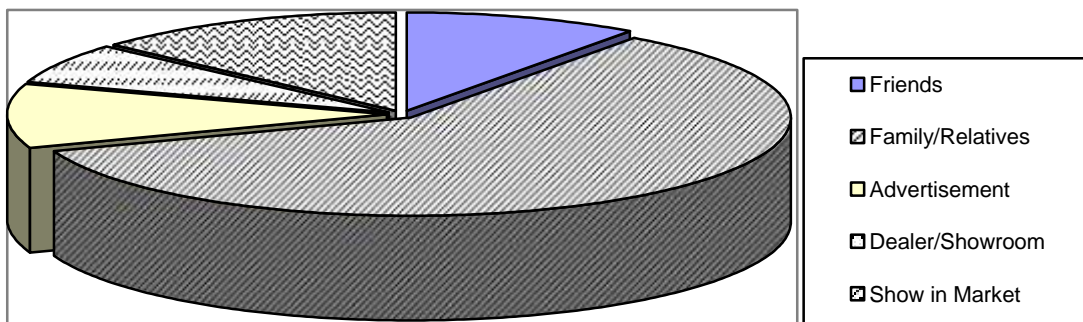
**Sources for Need Recognition**

Need Recognition Sources	Number	Percentage(%)
By Friend	15	10.00
By Family/Relatives	89	59.33
By Advertisement Shown	16	10.67
By Dealer/Showroom	10	6.67
By Shown in Market	20	13.33
Total	150	100

*Source: Consumer Survey 2069*

**Figure No.4.6**

**Need Reorganization Sources**



*Source: Table No. 4.8*

Table No. 4.8 and Figure 4.6 incorporates the need recognition sources of the respondents. 10% of the respondent recognize the need of buying motorbike through friends, 59.33% recognize through the family and relatives, 10.67% through advertisement, 6.67% through the Dealer and showroom, 13.33% through the shown in market.

The above table shows that family and relative's role is highly influence while choosing motorbike.

### **Hypothesis No 1 (Appendix II)**

H<sub>0</sub>: The given sources have equal influence on consumer regarding need recognition.

H<sub>1</sub>: The given sources do not have equal influence on the consumer regarding need recognition.

The tabulated value of  $\chi^2$  at 5% level of significance for 4 degree of freedom is 9.488. But the calculated value of  $\chi^2$  calculated in the Appendix II shows its value 146.72. This is more than the tabulated value. So that the null hypothesis stated above is false and it is rejected. So given sources of information do not have equal influence regarding need recognition.

#### **4.2.5. Information Sources:**

Once the needs are recognized in the mind of the consumer, then they go for the search of information when they are involved in high involvement purchase. So, here in order to estimate the extent of information seeking to motorbike buyer the respondents were asked three questions related to the number and types of sources, no of times of sources used and time spent on using each source.

The types of sources of information obtained from the responses of 150 respondents in the statistical form are described in the table presented in below.

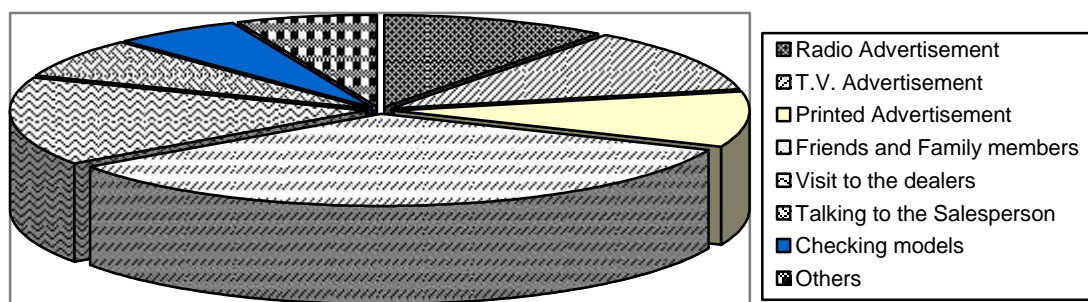
**Table No.4.9**  
**Sources of Information**

Types Of Sources	Number	Percentage (%)
Radio Advertisement	27	10.30
T.V. Advertisement	30	11.45
Printed Advertisement	25	9.54
Friends and Family members	89	33.97
Visit to the dealers	41	15.65
Talking to the Salesperson	18	6.87
Checking models	15	5.73
Others	17	6.49
<b>Total</b>	<b>262</b>	<b>100</b>

*Source: Consumer Survey 2069*

The above data of the respondent using the different sources of information can also be presented in the pie diagram which is presented below.

**Figure No.4.7**  
**Types of Sources**



*Source: Table No. 4.9*

In the above table the total number of responses varies from 150 to 262 because as per the observed data most of the respondents used one or

more sources of information to purchase motorbike. Among them 10.30% of the respondent use the Radio Advertisement as the sources of information, 11.45% of the respondent use the T.V. Advertisement as the sources of information, 9.54% of the respondent use Printed ad as the sources of information, 33.97% of the respondent use Family and friends as the sources of information, 15.65% of respondent generate the information through the dealer visit, 6.87% of the respondent use talking to the salesperson as the sources of information, 5.73% of the respondent use checking model as the sources of information and remaining 6.49% of the respondent use display of the product, populating of the product, camping of the product as the sources of information.

So people use different sources of information for the evaluation of the alternative. Mostly they use the friends and family member as the information for evaluation of alternative.

### **Hypothesis No. 2 (Appendix III)**

H<sub>0</sub>: The consumer gives equal emphasis on sources of information while purchasing motorbike.

H<sub>1</sub>: The consumer does not give equal emphasis on sources while purchasing motorbike.

As per Chi Square test, tabulated value of Chi square at 5% level of significance at 7 degree of freedom is 14.067. But the calculated value of chi square from the appendix III is 125.58 which are too much higher than the calculated value which means that the null hypothesis stated above is false. So the consumer does not give equal emphasis on sources of information while purchasing motorbike.

#### 4.2.6. Sources Use Frequency:

To find out the number of times of sources of information used by the respondent, they were required to mention how many time did they use the sources of information which is shown in the table below:

**Table No. 4.10**

**Frequency of Information Source Utilization**

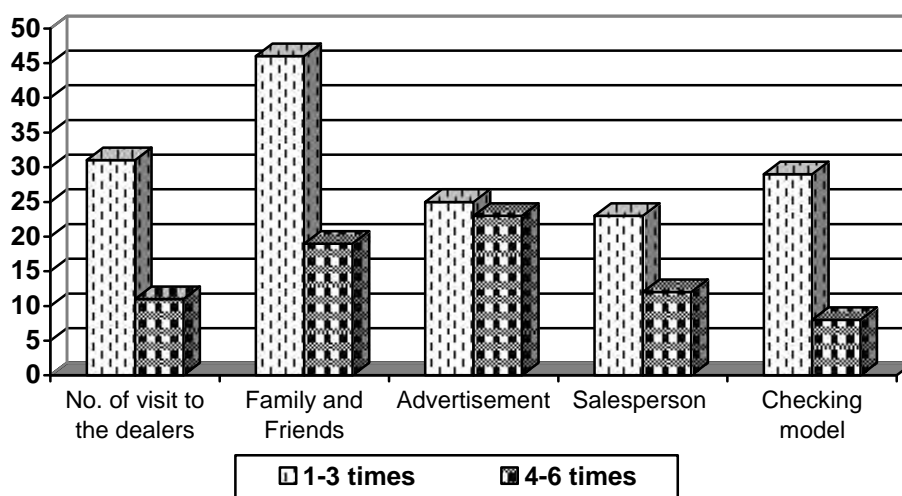
No. of times of Sources Used Information Sources ↓	1-3 times	%	4-6 times	%	Total
No. of visit to the dealers	31	20.13	11	15.07	42
Family and Friends	46	29.98	19	26.03	65
Advertisement	25	16.23	23	31.5	48
Salesperson	23	14.93	12	16.44	35
Checking model	29	18.84	8	10.96	37
Total	154	100	73	100	227

*Source: Consumer Survey 2069*

The above data of Frequency of Information Sources Utilization can be presented in the bar diagram which is presented below.

**Figure No. 4.8**

**Frequency of Information Source Utilization**



*Source: Table No.4.10*

In the above table, various sources of information are presented along with their frequency of utilization. Two hundred and twenty seven responses was made by the one hundred and fifty respondents, of which majority of the respondents that is one hundred and fifty four responses was made on 1-3 times while remaining seventy three responses to the 4-6 times.

Among one hundred and fifty responses, 20.13% of the responses was on visit to the dealer, 29.88% of the responses on the family and friends, 16.23% of the responses was on the advertisement as the information sources, 14.93% responses toward the salesman as the sources of information and remaining 18.84 % responses was on the checking models.

Similarly, seventy three responses has made by the respondent saying that they use the information for 4-6 times. Among that responses 15.07% of the responses on No. of visit to the dealers, 26.03% of responses on the family and friends, 31.5% of the responses on the advertisement, 16.44% of responses on the salesperson and remaining 10.96% of the responses on the checking to the models.

From the above table it is concluded that most of the people uses source of information 1-3 times and nearly 30% use friend and family member as the information sources most frequently.

#### **4.2.7. Time Spent on Information Search:**

Respondent estimated of approximate time they spend on various sources of information are presented in the following table below.



**Table No. 4.11****Time Spent on Various Source**

Time Spent Information Source	1 to 60 minute	Percentage (%)	1 to 3 hour	Percentage (%)	Total
Friends and Relatives	24	21.62	57	35.18	81
Printed Advertisement	15	13.51	15	9.26	30
Radio Advertisement	12	10.81	9	5.56	21
TV Advertisement	12	10.81	12	7.4	24
Manufacturer Broacher	9	8.1	6	3.7	15
Checking Models	12	10.81	27	16.67	39
Salesperson	9	8.1	12	7.4	21
Visiting dealers	18	16.21	24	14.81	42
Total	111	100	162	100	273

*Source: Consumer Survey 2069*

The table presented above shows the approximate time of the 150 respondents in their 273 responses. Among 273 responses 111 responses belongs to the time between 1 minute to 60 minutes while 162 responses to the time between 1 to 3 hour. Among 111 responses 21.62% of the responses are obtained from friends and relatives, 13.51% of the responses are obtained from the printed advertisement, 10.81% of the responses are obtained from the Radio advertisement, 10.81% of the responses are obtained from the TV advertisement, 8.1% from the manufacturer brochures, 10.81% from checking models, 8.1% from salesperson and remaining 16.21% of the responses are obtained from visiting to the dealers.

Among 162 responses 35.18% of the responses are obtained from the friends and relatives, 9.26% of the responses are obtained from the printed advertisement, 5.56% of the responses are obtained from the Radio advertisement, 7.4% of the responses are obtained from the TV

advertisement, 3.7% from the manufacturer brochures, 16.67% from checking models, 7.4% from salesperson and remaining 14.81% of the responses are obtained from visiting to the dealers.

#### **4.2.8. Purchase Pals:**

The researcher also examined the influence of Purchase pals as information sources who actually accompany consumer on the shopping trip. Although in overall consumer decision process a purchase pal is an important factor, which plays a vital role in selecting a particular brand by the buyer. Buyer often takes the help of purchase pals while doing information search and final purchase of the product for different reasons.

So in this study, in order to obtain the information relating to the purchase pals, different questions were asked to the respondent regarding purchase pal users, reasons for using purchase pals and the person involved with the buyer while buying the product. The table presented below shows the descriptive statistics of the purchase pal users.

**Table No. 4.12**  
**Purchase Pal User**

Purchase Pal User	Number	Percentage (%)
Alone	64	42.67
With Someone	86	57.33
Total	150	100

*Source : Consumer Survey 2069*

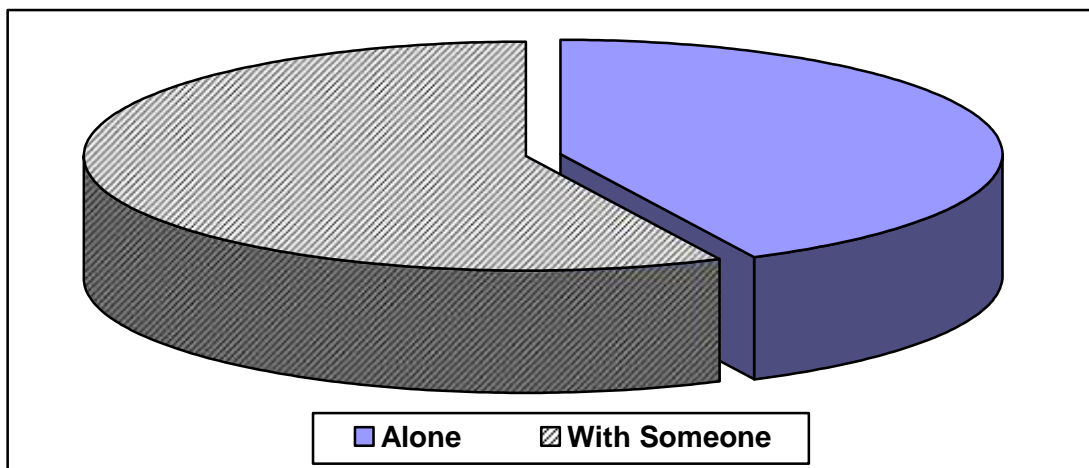
The above table shows those respondents who went alone or with someone to purchase the motorbike. Among 150 respondents 64 that is 42.67% of them use to go alone to purchase the motorbike while remaining 86 that is 57.33% of the respondent use to go with someone for

the purchase of the motorbike. So more than 50% of the people use purchase pal while buying motorbike.

The respondent who use and do not use purchase pal can be presented in the pie chart which is shown below.

**Figure No. 4.9**

**Purchase Pal User**



*Source: Table No. 4.12*

**4.2.9. Types of Purchase Pals: -**

Different types of Purchase Pals were used by the consumer while deciding to buy the motorbike. In this study also consumer were asked to state the purchase pals that they have been used by them. Different types of purchase pal used by the consumer were presented in the table in below.

**Table No. 4.13**  
**Types of Purchase Pals**

Types of Purchase Pals	Number	Percentage (%)
Friend	42	48.84
Relative	16	18.6
Sales Man	6	6.98
Spouse	7	8.14
Other	15	17.44
Total	86	100

*Source : Consumer Survey 2069*

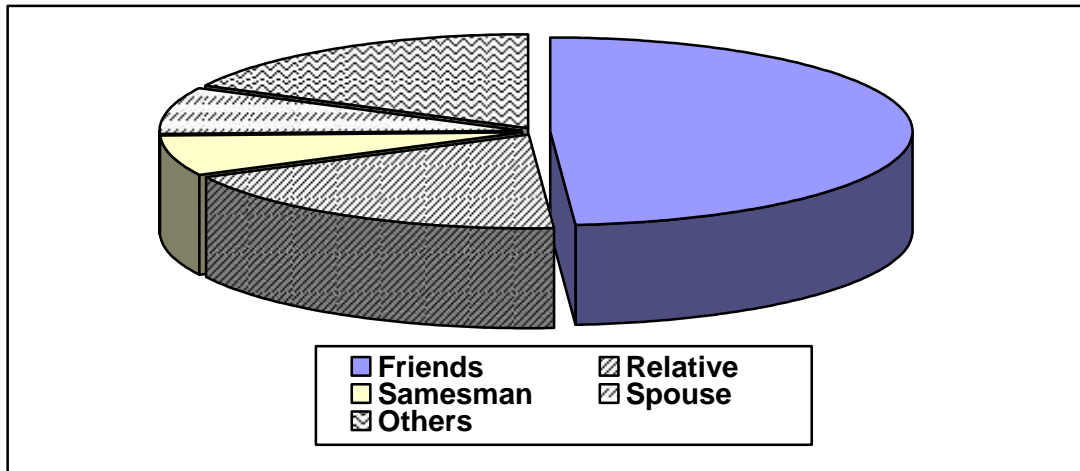
The above table shows the types of purchase pal used by the consumer while buying the motorbike. Among 86 respondents using purchase pal during the final purchase of the motorbike, 48.84% of the respondent use friend as the purchase pals, 18.6% of the respondent use relative as the purchase pal, 6.98% of the respondent use salesman as the purchase pal, 8.14% of the respondent use spouse (husband/wife) as the purchase pal while remaining 17.44% use others as the purchase pal during final purchase of the motorbike.

From the above table we can conclude that most of the people nearly 50% take the friends as purchase pals while buying motorbike.

The type of Purchase pal used by the consumer during the final purchase of the motorbike can be presented in the pie diagram. This is shown below.

**Figure No. 4.10**

**Types of Purchase Pal Used**



*Source: Table No. 4.13*

**Hypothesis No. 3 (Appendix IV)**

H<sub>0</sub>: The consumer equally uses the different type of purchase pals in order to make the final purchase of the motorbike.

H<sub>1</sub>: The consumer does not equally use the different type of purchase pals in order to make the final purchase of the motorbike.

As per Chi Square test, the tabulated value of  $\chi^2$  at 5% level of significance for 4 degree of freedom is 9.448, while the calculated value of  $\chi^2$  is 49.51. So the calculated value of  $\chi^2$  is greater than the tabulated value which means that the above stated null hypothesis is false. That is the consumer does not equally uses the different type of purchase pals in order to make the final purchase of the motorbike.

**4.2.10. Reasons for Using Purchase Pals:**

Purchase pals can be used for different reasons, which vary with consumer. Mainly purchase pals help consumer to take decisions about

the product. The table given below shows the different reasons for using purchase pals.

**Table No. 4.14**  
**Reasons for Using Purchase Pals**

Reasons	Number	Percentage (%)
Help to decide which one to buy from different brands	22	25.58
Get bargains from the dealers	17	19.77
Check how he feels about my choice	11	12.79
Get his help on inspecting model	12	13.95
Make sure that chosen brand is the right one	24	27.91
Total	86	100

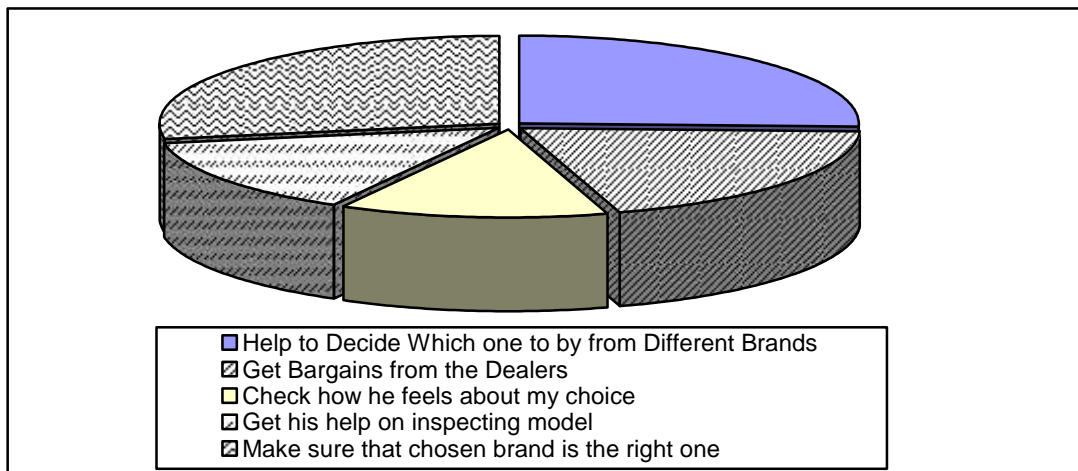
*Source : Consumer Survey 2069*

The above table represents the reasons for using purchase pal by the different consumer. Among 86 respondents who use purchase pal for different reason 25.58% of the respondent use purchase pal to help to decide which one to buy from different brands, 19.77% of the respondent use purchase pal to get bargain from the dealers, 12.79% of the respondent use purchase pal to check how he feels about choice, 13.95% of the respondent use purchase pal to get his help in inspecting model and remaining 27.91% of the respondent use purchase pal to make sure that chosen brand is the right one.

The result from the above table shows that the respondent does not use the purchase pal for the single reason and none of the reason are used mostly by the respondent. While most of them take purchase pals to be sure that they have chosen the right one.

The reason for using the purchase pal by the respondent can be represented in the pie diagram, which is shown below.

**Figure No. 4.11**  
**Reasons for Using Purchase Pals**



Source: Table No. 4.14

#### **Hypothesis No.4 (Appendix V)**

H<sub>0</sub>: the consumer use purchase pals for different reason while making their final choice.

H<sub>1</sub>: the consumer use purchase pals for same reason while making their final choice.

As per Chi Square test, the tabulated value of  $\chi^2$  at 5% level of significance for 4 degree of freedom is 9.448 while the calculated value is 7.83. Calculated value of  $\chi^2$  is less than the tabulated value so the above stated null hypothesis is true. That is the consumer use purchase pals for different reason while making their final choice.

#### **4.2.11. Evaluation of Alternative:**

Once the Consumer thinks or decides about the alternative from which they have to buy, next step is to evaluate those alternatives. Consumer may evaluate those alternative present in the evoked set on the basis of different criteria. The criteria consumer uses to evaluate the brands that

constitute their evoked sets usually are expressed in terms of important product attributes.

In this study, the product attribute consumer uses as criteria in evaluating different brands of product are price, more cc, fuel efficiency, brand image, reputation of the dealers etc.

In making decision or to help to make the decisions all criteria considered are important but to get more effective decision relative weight of each criteria is to be given. In this study also researcher came across the situation where the relative importance of each criterion is not equal. Some criteria are used as more important than some other by the consumer. So in order to analyze, proper weight (rating) have been given to various criteria which are described in the following table.

**Table No. 4.15**  
**Evaluation Criteria**

Criteria	Rating	1	2	3	4	5	6
Price		20	45	39	20	16	10
Model		29	25	32	26	23	15
Fuel Consumption Rate		41	28	20	25	28	8
Style		20	20	19	15	21	55
Durability		31	18	30	20	32	19
Power		9	14	10	44	30	43
Total		150	150	150	150	150	150

*Source : Consumer Survey 2069*

The above table shows the rating done by the respondent under the different evaluative criterion. Among 150 respondents most of the respondent that is 41 respondents give number one priority to the fuel efficiency, 31 respondents give number one priority to the more



durability, 29 respondents give number one priority to the model, 20 respondents give number one priority to the price of motorbike, 20 respondent give number one priority to the style of motorbike and 5 respondents give number one priority to the power of motorbike.

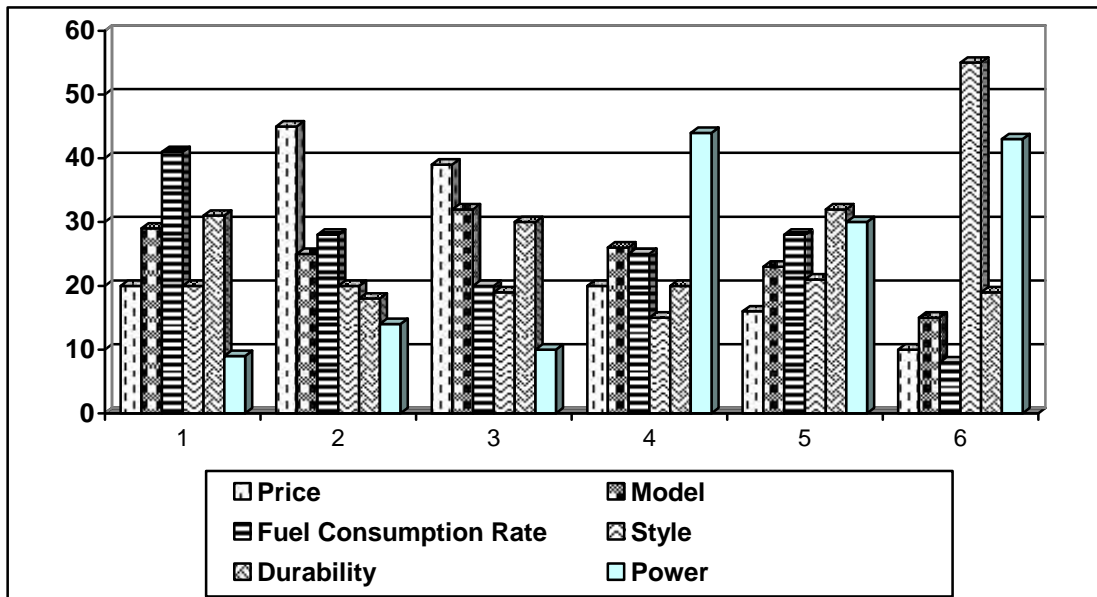
Similarly, 45 respondents give number second priority to the Price, 28 respondents give number second priority to the fuel efficiency, in this way only 14 respondents give number second priority to the power of motorbike.

Most of the respondent gives third priority to the price and model, whereas least of respondent give low priority to the style and power in third position. Similarly, the most of the portion of rank four is covered by power of bike; it means the priority of power of bike is least important for consumer. Same as in 5<sup>th</sup> and 6<sup>th</sup> rating, most of the respondent give mark to style, power and durability of bike.

So from the above discussion we can conclude that most of the respondent gives more priority to the fuel efficiency as the most important factor while the power and style of the motorbike are the least important factor and other price, model and durability are the medium affecting factors while evaluating the evoked number of brand by the consumer.

The criteria used by the consumer while evaluating the evoked number of brand can be represented in the bar diagram which is shown below.

**Figure No. 4.12**  
**Evaluation Criteria**



*Source: Table No.4.15*

#### **4.2.12. Brand Recommendation:**

Sometimes despite of proper information seeking and evaluation consumers often get confused to decide which one to buy from different models. In this type of situations consumer purchase the product by the help of other or on the basis of recommendation they get. Such recommendation may be from friends, family members, sales person relative etc.

The buyer of Nepalese market often buys the product on the basis of the information they get about the product. The Nepalese buyers are not sure to make decision themselves so they usually take the recommendation from the different people while buying motorbike. Thus statistical presentation of recommendation factor is crucial to the present study in understanding the decision process of Nepalese buyers of high involvement goods. The table below shows the recommendation of the 150 sampled respondents.

**Table No. 4.16  
Brand Recommendation**

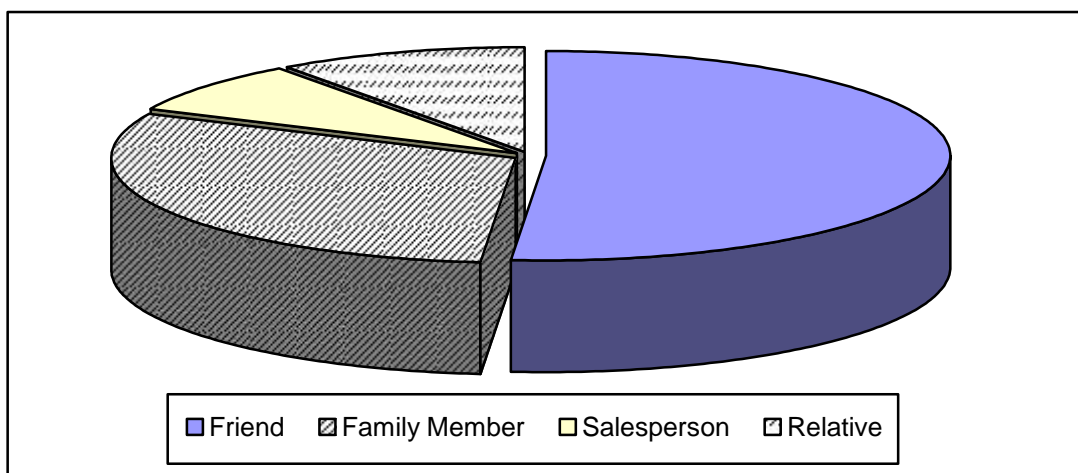
Recommended By	Number	Percentage (%)
Friend	77	51.33
Family Member	46	30.67
Salesperson	12	8.00
Relative	15	10.00
Total	150	100

*Source : Consumer Survey 2069*

The table shows the number of responses made by the responded in the brand recommendation. In other means the table shows who recommend the consumer to buy the motorbike. Among 150 respondents, 51.33% responses was made on friend, 30.67% responses was made on family member, 8.0% responses was made on salesperson, remaining 10.0% responses was made on relative. So from the above table we can conclude that consumer usually purchase on brand recommended by others.

The brand recommendation of the motorbike for the consumer can be presented in the pie diagram. This is shown below.

**Figure No.4.13  
Brand Recommendation**



*Source: Table No. 4.16*

The above figure shows that, most of the portion covered by recommendation of friends while purchasing motorbike, the role of family member is in second position, relatives and salesperson role is least important while purchasing motorbike.

#### **4.2.13. Purchasing Factor:**

Once the evaluation of alternative ends the next step in the consumer decision process is to purchase the product among the various alternative available. While choosing among available alternative they have to choose on the basis of different factor but sometime they have to choose among non comparable alternative as well as such as warranty, discount, mode of payment, after sales services, reputation of the dealer, mode of payment etc.

However following table describes the different purchasing factor on the basis of which the sampled respondent made purchase decision of the motorbike.

**Table No. 4.17**  
**Purchasing Factors**

Purchasing factor	Number	Percentage (%)
Warranty/Guarantee	60	40
Discounts	15	10
Mode of Payments	23	15.33
After Sales Services	45	30
Others	7	4.67
Total	150	100

*Source: Consumer Survey 2069*

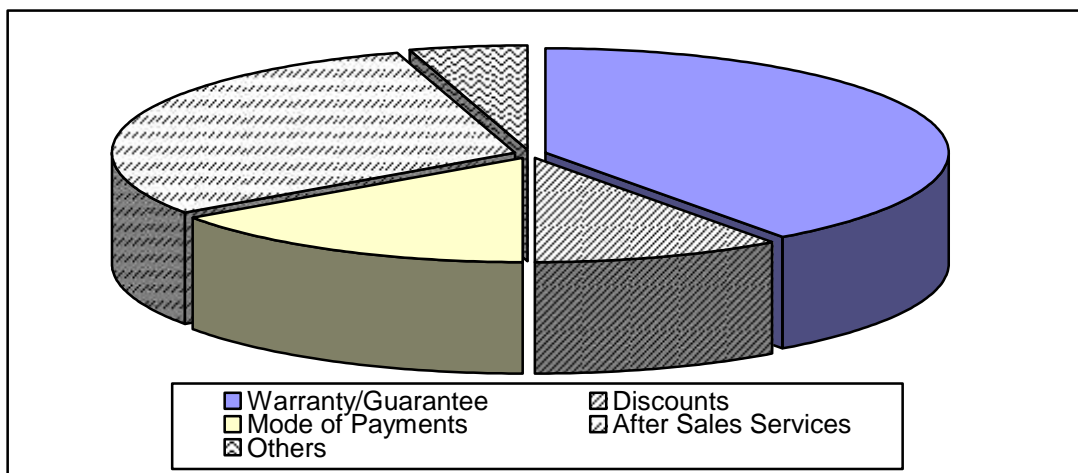
The above table shows the purchasing factor that the respondent consider while buying the product. Among 150 responses made by the respondent,

40% of them purchase on the basis of the Warranty\Guarantee, 10% of them purchase on the basis of the Discounts, 15.33% of them purchase on the basis of the Mode of Payment, 30% of them purchase on the basis of the After Sales Services and remaining 4.67% of them purchase on the basis of the others such as attractiveness of the dealer etc.

So from the above table it is known that consumer does not give equal consideration to the different purchasing factor while buying the motorbike. In the above table consumer has given more emphasis on the warranty and guarantee while least emphasis on others.

The purchasing factors that affect the respondent in buying motorbike can be represented in the pie diagram which is shown below.

**Figure No.4.14**  
**Purchasing Factors**



Source: Table No. 4.17

**Hypothesis No. 5 (Appendix VI)**

H<sub>0</sub>: The consumer gives equal consideration to the given factors while making their final purchase decisions.

H<sub>1</sub>: The consumer does not give equal consideration to the given factors while making their final purchase decisions.

As per Chi Square test, the tabulated value of  $\chi^2$  at 5% level of significance for 4 degree of freedom is 9.488 while the calculated value is 37.50. Calculated value of  $\chi^2$  is greater than the tabulated value so the above stated null hypothesis is false. That is the consumer does not give equal consideration to the given factors while making their final purchase decisions.

#### **4.2.14. Methods of Disposition:**

Once consumers buy and use the product, the next step is to dispose it. It is the new and very much important concept of marketing because this phase of consumer decision making process helps the marketer to make strategic decision related to marketing of their goods and services. This is the very last stage of the consumer decision process. Once the consumer pass through this stage consumer decision process ends, when consumer purchase and use the product they have to dispose it by different method. Some of the method that has been considered by the researcher among the respondents of motorbike buyer of Khairahani VDC area is described below. The table below shows the method of disposition used by the respondents.

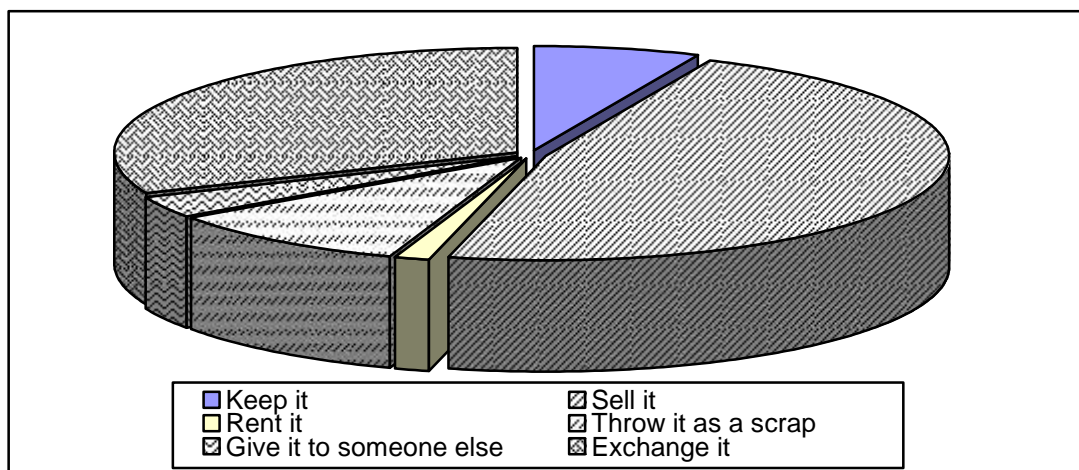
**Table No. 4.18  
Method of Disposition**

Method of Disposition	Number	Percentage (%)
Keep it	10	6.67
Sell it	71	47.33
Rent it	2	1.33
Throw it as a scrap	15	10.0
Give it to someone else	5	3.33
Exchange it	47	31.33
Total	150	100

*Source: Consumer Survey 2069*

The table presented above shows the disposition method used by the respondent to dispose their motorbike after they use it for some period of time. However only two method of disposition is considered by the respondent researcher has provided them a list of more than two option of the method of disposition. Among 150 respondent 10 of them want to keep their motorbike with themselves while 71 respondent want to sell it, 2 respondents want to rent it, 15 respondents throw it as scrap price, 5 respondents give it to someone else and remaining 47 respondents exchange their motorbike with new one.

**Figure No. 4.15**  
**Method of Disposition**



*Source: Table No. 4.18*

The above table & figure shows that people usually sell their motorbike after they use it. So it can be concluded that people does not want to use the same motorbike for a longer period of time, they tend to sell it and purchase the new one again.

### **4.3. Major Finding of the Study:**

Based on the survey of the Nepalese motorbike buyer of the Khairani VDC area following major finding of the study are made.

- ) Eight brands of motorbike are found to have purchased while there are many more such brands that were purchased by the buyer. Majority of the respondent are found to have purchase renowned brand such as Hero Honda, Honda, Bajaj, Yamaha, Suzuki, TVS, etc.
- ) This study shows that about 54.67% respondents are Nepalese motorbike buyers recognize their need of purchasing motorbike by their family motives and their own experience or by themselves.
- ) Among the different sources of need recognition family/relatives, friends and shown in the market are those sources through which majority of the respondents recognize the need of buying motorbike.
- ) The sources of information available to Nepalese motorbike buyer are radio ad, TV ad, printed ad, visit to the dealer, friend and family member and checking model in the showroom. And among them majority of the respondent use friend and family member, visit to the dealer as the most important sources of information.
- ) As regard to the frequency of information sources utilization most of the respondent use the source family and friends, visit to the dealers most frequently while purchasing motorbike.
- ) Most of the Nepalese motorbike buyer uses the sources of information one to three times while few of other is found to use more than three times. Majority of the respondent use friends and family members frequently.
- ) Nepalese consumer takes more time on pre-purchase information seeking while buying motorbike. They spent some time on friend and family



member to know the information about the motorbike or they talk with their friend and family member about the motorbike to know about it.

- ) Two groups of buyer exist in the Nepalese market, one using purchase pal and another not using the purchase pal. The majority of the respondent are found to have taken purchase pals along with them while doing information search related to the product that the want to buy.
- ) Among different type of purchase pals, friends and relatives are those types of purchase pals through which majority of respondents used purchase pals by Nepalese Motorbikes buyers.
- ) Majority of the Nepalese motorbike used purchase pal to make sure their chosen brand is the right one among the different alternative and to help to decide which one to buy from different alternative.
- ) While evaluating different alternative brand of motorbike, the Nepalese motorbike buyer are found to have considered fuel efficiency and durability as the most important evaluative criteria for different alternative brands of motorbike.
- ) As regard to the brand recommendation, majority of the respondent purchases those brands which are recommended by their friends and family members.
- ) The majority of the respondent is found to choose or make decision on motorbike on the basis of warranty and guarantee factor, after sales services.
- ) As per disposition method of the Nepalese motorbike buyer, majority of the respondent are found to sell their motorbike or exchange their motorbike after using it for some period of time or up to that period until the model of the motorbike changes.

- ) The buyer of high economic as well as medium economic background is found to purchase motorbike for their use though the motorbike is the high priced and more risky item.
- ) Young generation people, ranging of the age from eighteen to thirty five are found to purchase and use motorbike more than old generation people however old generation also involved in using and purchasing the motorbike.
- ) This study shows most of the literate people use motorbike for their different purposes as well as illiterate people also use it. Motorbike users are mostly the male respondent where there is little number of female respondents using the motorbike.

## CHAPTER-FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1. Summary

Consumer is the core element of marketing process and marketer has to market their product on the basis of the product choice behavior of the consumer. So in order to market their product efficiently they have to know consumer and their choice behavior. The study of Consumer behavior as the separate discipline of marketing starts when the marketer realize that consumer does not act and react as the theory and model of the marketing suggest. Instead they act and react according to the fads, trends, fashion etc. sometime consumer approach to fads and fashion and use the identical products that other used while sometime they seem to use differentiated product which help to reflect their own special needs, personality and their life style.

The products manufactured today are not the one that the manufacturer wants to sell but the ones that the consumer want to buy. In marketing concept, Consumer behavior rooted when the manufacturer realize that they can sell more product, more easily if they produce the product that was already demanded by the consumer, instead producing a product that needs to be tested by the consumer and all this requires the understanding of the behavior pattern of the consumer. The study of Consumer behavior focuses on how an individual make decisions to spend their available resources (time, money, efforts) on consumption related items.

In this study an attempt has been made to study the buying behavior of Nepalese motorbike buyer of the Khairahani VDC area. The main

objective of the study is to examine the decision making process of consumer under high involvement purchase situation. In this study for the purpose of obtaining its objective the sample of 150 respondents of Khairahani VDC area are taken. The respondents are taken from the large population on the basis of the judgmental sampling and each of them is interviewed with the help of questionnaire that the researcher has prepared. Here the study attempts to find out the consumer decision making in buying motorbike.

A Consumer decision making process consists of five steps namely Problem recognition, Information search, Evaluation of alternative, Purchase and Post purchase evaluation. While this process varies as according to the situation and process varies.

In this research, in order to understand the Consumer behavior different comprehensive model are studied such as Nicosia model, Howard and Sheth model, EKM model, Information processing model, Newman Gross model and Family decision making model. Very few researches in the area of Consumer behavior in Nepal are conducted which was also included in the review of previous studies. And based on the review of literature and the past studies researcher have developed some hypothesis about some major characteristics of strategies consumer use.

The collected data were analyzed and interpreted and the hypothesis developed previously was tested by using statistical tools such as Chi-Square test, Average and Percentage. The analysis and interpretation of the collected data by the help of the different statistical tools results to the major findings of the study for which purpose the research study has been conducted.

Eleven brand of motorbike are found to be considered by the buyer while buying the motorbike. Most of them recognize the need of buying

motorbike themselves and through their inner motives and own experience. So the decision making process of consumer may vary according to the interpersonal sources of information and other sources of information available to them. Among the available sources of information they only use few sources during the evaluation of alternative. Most of the motorbike buyer take purchase pal with them while buying motorbike, they take purchase pal with them for different reason while most of them take purchase pal to be sure that they have chosen the right one among the available alternatives. Large number of brand alternative is available while consumer uses only few of them. They have small size of evoked set. While evaluating the brand for purchase, buyer of the motorbike looks after the fuel efficiency, warranty, and guarantee and after sales services.

## **5.2. Conclusion:**

After examining the present market situation of Nepal for the Nepalese motorbike buyer, it is quite doubtful to say whether the model of Consumer behavior that are developed in the context of developed country is applicable to the country like Nepal or not where the economic condition and the product market situation are quite different from the developed countries. The Nepalese market environment is characterized by low level of education, lack of buying alternative and the lack of sources of information. The present study in the area of consumer decision making process under the high involvement purchase situation receives added significance in a product market environment like Nepal. The present research shows the different results.

Nepalese motorbike buyer mostly recognizes the need through their own experience and inner motives. So the decision making process of the motorbike buyer are mostly influenced by the interpersonal sources rather

than other sources. The Nepalese motorbike buyer use unlimited sources of information also they spent very little time on pre purchase information seeking. Most of the consumer takes purchase pal with them while buying motorbike. They take purchase pal with them for the different reason while most of them take purchase pal with them to be sure that they have chosen the right one from among the different alternative. Although large number of alternative of brand available, consumer have the small number of Evoked set. Consumer of Nepal looks mostly on the fuel efficiency while evaluating the alternative brands of motorbike and usually purchased on the basis of the factor like warranty\ guarantee and after sales services. Most of the motorbike buyers in the Nepalese market are fashionable so after using it for some period of time, they sell the old and purchase the new fashionable motorbike.

### **5.3. Recommendations:**

In the concept of Modern marketing, Consumer are the king because he has the purchasing power and no force on the earth would compel him to buy the product and services, so marketer has to made the environment which force the consumer to buy particular product or services. Here the recommendations are provided by the researcher in the statement wise and model wise.

On the basis of major findings following recommendation can be made. Following statement suggestion are made by the researcher which is presented below.

#### **a. Conduct the need recognition program:**

The present study shows that the consumer recognize their need of buying motorbike by their inner motives so marketer are suggested to conduct the program that helps consumer to recognize their need more efficiently.

**b. Emphasis to the friend and family:**

The majority of the Consumer uses the sources of information such as friend and family member and visit to the dealers. So marketers are suggested to provide greater emphasis on them.

**c. Promote the more variety of brands:**

The Nepalese motorbike buyers have the small number of evoked set. So the marketers are suggested to provide the different variety of the motorbike to their buyer.

**d. More Priority to the factor that the consumer use for evaluating alternative:**

Evaluation of alternative is done mostly based on the factor like fuel efficiency by the Nepalese motorbike buyer. So they have to give grater emphasis on this.

**e. Extending the warranty guarantee period:**

Purchase of motorbike is mostly affected by the factor like Warrant/Guarantee and after sales services. So marketers are suggested to extend this period.

**f. Develop Alternative model of brand:**

Nepalese market is the fashionable market and the motorbike buyer of Nepalese market does not use the same motorbike for a longer period of time. So marketers are suggested to bring out the model time to time.

**g. Conduct same kind of research program:**

In order to understand the decision process of Nepalese buyer more efficiently, it is better to conduct the same kind of research by using large samples than what researches have used in the present study.

Nepalese market is the small market and for the beneficial of the marketer, they are suggested to conduct research by themselves in this area so that they can understand the decision process of consumer more effectively, which also help in other similar research in this area.

**h. More emphasis on the non renowned brand:**

Most of the Nepalese motorbike buyer purchase only the renowned brand of motorbike, so marketer are suggested to make more emphasis on the other brand by help of the different kind of advertisement which are not renowned to the consumer.

**i. Providing effective and efficient customer service:**

When the Researcher is in the field of study while collecting the data, he found that the dealers do not provide an adequate service to their customer which was based on the consumer complaint to the researcher. So that the dealer of the motorbike are recommended to provide effective and efficient service to their customer.



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## Appendix-I

### Questionnaire:

*I am student of Central Department of Management, Tribhuvan University.  
Now, I am collecting data for research purpose to fulfill my thesis. I heartly  
request you to answer these following questions.*

#### 1. Respondent's Identification:

Name : ..... Age: .....

Address : ..... Sex : .....

#### 2. Which of these following best identifies your household's total monthly income?

a. Rs10000 or less [ ]      b. Rs10001-Rs 15000 [ ]

c. Rs 15001-Rs20000[ ]      d. Rs 20001- Rs 25000 [ ]

e. Rs250001- Rs 30,000 [ ]      f. Rs300001or more [ ]

#### 3. How many members in your family?

a. 1 or 2 [ ]      b. 3 or 4 [ ]      b. 5 or more [ ]

#### 2. In which of these categories does your educational background fall?

a. Illiterate.....

b. Literate.....

Primary [ ] Lower secondary [ ] SLC [ ] Intermediate [ ]

Graduate [ ] Post Graduate [ ] Above post graduate [ ]

#### 4. Could you provide some information about your motorbike?

a. Brand name.....      b. CC .....

#### 5. When did you buy your motorbike?

Day..... Month.....year.....

6. How did you recognize the need or stimuli?
- a. Family      b. Friends      c. Media      d. Salesman  
 e. own experience/Inner motives f. Product importance g. Other
7. How did you happen to know first about the brand name of motorbike you bought?
- a. My friend told me [    ]      b. My family/relative told me [    ]  
 c. I saw its advertisement [    ]  
 d. I happened to see it in a dealer's showroom [    ]  
 e. Friends/ Relatives have bought this brand before [    ]
8. Which of the following sources of information did you collect prior to purchase your motorbike?
- a. Radio advertisement [    ]    b. T.V. advertisement [    ]  
 c. Printed advertisement [    ]    d. Friend/ family members [    ]  
 e. Visiting the dealers [    ]    f. Talking to the salesperson.  
 g. Checking the model in the showroom. h. Others
9. How many times you used each of the following sources of information.
- a. Number of visit to the dealers [    ]  
 b. No of advertisement consulted [    ]  
 c. No of friends/ family member consulted [    ]  
 d. No of salesperson consulted [    ]  
 e. No of checking models [    ]

10. How much time did you spent in buying your motorbike among each of the following activities? (Give time in hour)

- a. Taking to friend/relative about motorbike [       ]
- b. Reading advertisement in the printed media [       ]
- c. Listening to the radio advertisement [       ]
- d. Watching TV advertisement [       ]
- e. Reading manufacturing broachers [       ]
- f. Talking to the salesperson [       ]
- g. Visiting dealers [       ]
- h. Checking Models [       ]

11. Did you went alone or with some one to buy motorbike?

- a. Alone [       ]                      b. With someone [       ]

12. Who was the person who accompanied you to buy motorbike?

- a. A friend [       ]                      b. A relative [       ]
- c. Salesman [       ]                      d. Spouse (Husband/ wife)
- e. Other

13. Please check from the following reason of using the purchase pals (the person identified above)

- a. To help me to decide which one to buy from different brands [       ]
- b. To get bargains from the dealers [       ]
- c. To check how he feels about my choice [       ]
- d. To get his help on inspecting different models [       ]
- e. To make sure I am choosing the right motorbike for me [       ]

14. Please rate the criteria you used while evaluating different brands of motorbike? (Rates more important as 1 or 2 and less important as 3 or 4)
- a)  Price      b)  Model                      c)  Fuel consumption rate  
d)  Style      e)  Durability                      f)  Power
15. Was the bike you have bought is recommended by some other?
- a. Recommended by a friend     b. Recommended by a family member      
c. Recommended by a salesperson     d. Recommended by a relative
16. Which factor you like for purchasing any brand of Motorbike?
- a. Warranty/Guarantee                       b. Discounts      
c. Mood of Payments                       d. After sales service      
e. Other (please specify) .....
17. What will you do with bike while you used it for some time?
- a. Keep it                                       b. Sell it      
c. Rent it                                       d. Throw it as a scrap      
e. Give it to some one else     f. Exchange it      
g. Other (please specify) .....

*Thank you for giving me your valued time.*

## Appendix- II

### Sources for Need Recognition

Need Recognition Sources	Number	Percentage(%)
By Friend	15	10.00
By Family/Relatives	89	59.33
By Advertisement Shown	16	10.67
By Dealer/Showroom	10	6.67
By Shown in Market	20	13.33
<b>Total</b>	<b>150</b>	<b>100</b>

### Table for Calculation $\chi^2$

O	E	O - E	$(O - E)^2$	$(O-E)^2/E$
15	30	-15	225	7.5
89	30	59	3481	116.03
16	30	-14	196	6.53
10	30	-20	400	13.33
20	30	-10	100	3.33
				146.72

The tabulated value of  $\chi^2$  at 5% level of significance for 4 degree of freedom is 9.488. But the calculated value of  $\chi^2$  calculated value 146.72. This is more than the tabulated value. So that the null hypothesis stated above is false and it is rejected. So given sources of information do not have equal influence regarding need recognition.

**Appendix- III**  
**Sources of Information**

<b>Types Of Sources</b>	<b>Number</b>	<b>Percentage (%)</b>
Radio Advertisement	27	10.30
T.V. Advertisement	30	11.45
Printed Advertisement	25	9.54
Friends and Family members	89	33.97
Visit to the dealers	41	15.65
Talking to the Salesperson	18	6.87
Checking models	15	5.73
Others	17	6.49
<b>Total</b>	<b>262</b>	<b>100</b>

**Table for Calculation <sup>2</sup>**

O	E	O - E	(O - E) <sup>2</sup>	(O-E) <sup>2</sup> /E
27	32.75	-5.75	33.06	1.0
30	32.75	-2.75	7.56	0.23
25	32.75	-7.75	60.06	1.83
89	32.75	56.25	3164.06	96.61
41	32.75	8.25	68.06	2.08
18	32.75	-14.75	217.56	6.64
15	32.75	-17.75	315.06	9.62
17	32.75	-15.75	248.06	7.57
				125.58

As per Chi Square test, tabulated value of Chi square at 5% level of significance at 7 degree of freedom is 14.067. But the calculated value of chi square is 125.58 which are too much higher than the calculated value which means that the null hypothesis stated above is false. So the consumer does not give equal emphasis on sources of information while purchasing motorbike.



**Appendix- IV**  
**Types of Purchase Pals**

Types of Purchase Pals	Number	Percentage (%)
Friend	42	48.84
Relative	16	18.6
Sales Man	6	6.98
Spouse	7	8.14
Other	15	17.44
Total	86	100

**Table for Calculation <sup>2</sup>**

O	E	O - E	(O - E) <sup>2</sup>	(O-E) <sup>2</sup> /E
42	17.2	24.8	615.04	35.76
16	17.2	-1.2	1.44	0.08
6	17.2	-11.2	125.44	7.29
7	17.2	-10.2	104.04	6.04
15	17.2	-2.2	4.84	0.28
				49.51

As per Chi Square test, the tabulated value of  $\chi^2$  at 5% level of significance for 4 degree of freedom is 9.448, while the calculated value of  $\chi^2$  is 49.51. So the calculated value of  $\chi^2$  is greater than the tabulated value which means that the above stated null hypothesis is false. That is the consumer does not equally uses the different type of purchase pals in order to make the final purchase of the motorbike.

**Appendix- V**  
**Reasons for Using Purchase Pals**

Reasons	Number	Percentage (%)
Help to decide which one to buy from different brands	22	25.58
Get bargains from the dealers	17	19.77
Check how he feels about my choice	11	12.79
Get his help on inspecting model	12	13.95
Make sure that chosen brand is the right one	24	27.91
Total	86	100

**Table for Calculation  $\chi^2$**

O	E	O - E	(O - E) <sup>2</sup>	(O-E) <sup>2</sup> /E
22	17.2	4.8	23.04	1.33
17	17.2	0.2	0.04	0.00
11	17.2	-6.2	38.44	2.23
12	17.2	-5.2	27.04	1.57
24	17.2	6.8	46.24	2.68
				7.83

As per Chi Square test, the tabulated value of  $\chi^2$  at 5% level of significance for 4 degree of freedom is 9.448 while the calculated value is 7.83. Calculated value of  $\chi^2$  is less than the tabulated value so the above stated null hypothesis is true. That is the consumer use purchase pals for different reason while making their final choice.

**Appendix- VI**  
**Purchasing Factors**

Purchasing factor	Number	Percentage (%)
Warranty/Guarantee	60	40
Discounts	15	10
Mode of Payments	23	15.33
After Sales Services	45	30
Others	7	4.67
Total	150	100

**Table for Calculation <sup>2</sup>**

O	E	O - E	(O - E) <sup>2</sup>	(O-E) <sup>2</sup> /E
60	30	30	900	30
15	30	-15	225	7.50
23	30	-7	49	1.63
45	30	15	225	7.50
7	30	-23	529	17.63
				37.50

As per Chi Square test, the tabulated value of <sup>2</sup> at 5% level of significance for 4 degree of freedom is 9.488 while the calculated value is 37.50. Calculated value of <sup>2</sup> is greater than the tabulated value so the above stated null hypothesis is false. That is the consumer does not give equal consideration to the given factors while making their final purchase decisions.